IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES (THE "**SECURITIES**") DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSONS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: This offering circular is being sent to you at your request, and by accepting the e-mail and accessing the attached document, you shall be deemed to represent to each of Goodman HK Finance (the "**Issuer**"), Goodman Hong Kong Logistics Fund and Goodman HK Investments (together, the "**Guarantors**" and each a "**Guarantor**"), The Hong Kong and Shanghai Banking Corporation Limited and ING Bank N.V., Singapore Branch (together, the "**Arrangers**") and the dealers named herein (the "**Dealers**") that (1) (in respect of any offering of securities under Category 2 of Regulation S of the Securities Act) you and any customers you represent are non-U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached and any amendments or supplements thereto by electronic transmission. To the extent you purchase the securities described in the attached document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder. You are reminded that the information in the Offering Circular is not complete and may be changed.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantors, the Arrangers, the Dealers), the trustee named herein (the "**Trustee**"), the agents named herein (the "**Agents**") nor their respective affiliates and their respective directors, officers, employees, representatives, agents and each person who controls the Issuer, a Guarantor, an Arranger, a Dealer, the Trustee, an Agent or their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **We will provide a hard copy version to you upon request.**

Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of the Issuer, the Guarantors, the Arrangers or the Dealers to subscribe for or purchase any of the securities described therein in any place where offers or solicitations are not permitted by law, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and an Arranger or a Dealer or any affiliate of it is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.**

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR

GOODMAN HK FINANCE

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

unconditionally and irrevocably guaranteed on a joint and several basis by

GOODMAN HONG KONG LOGISTICS FUND

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

and

GOODMAN HK INVESTMENTS

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

U.S.$2,000,000,000
Euro Medium Term Note Programme

Under this U.S.$2,000,000,000 Euro Medium Term Note Programme (the "**Programme"**), Goodman HK Finance (the "**Issuer"**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Goodman Hong Kong Logistics Fund ("**GHKLF"**) and Goodman HK Investments ("**GHKI"** and, together with GHKLF, the "**Guarantors"** and each a "**Guarantor"**).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes"** and "**Registered Notes"**). The maximum aggregate nominal amount of all Notes from time to time 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 in the Dealer Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Application has been made to the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**SEHK**") for the listing of the Programme by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, "**Professional Investors**") only during the 12-month period from the date of this document on the SEHK. This document is for distribution to Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on SEHK is not to be taken as an indication of commercial merit or credit quality of the Programme, the Notes, or the Issuer and Guarantors or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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 in the "*Terms and Conditions of the Notes*") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche.

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, the Guarantors and the relevant Dealer. The Issuer may also issue unlisted Notes or Notes not admitted to trading on any market. However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the SEHK or any other stock exchange.

The Notes have not been and will not be registered under the United States 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 (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or to, or for the account or the benefit of, U.S. persons, unless an exemption from the registration requirement of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer. See "*Form of the Notes*" for a description of the manner in which the Notes will be issued.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The relevant Tranche of Notes is not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the relevant Tranche of Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Pricing Supplement. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Hong Kong Stock Exchange) a supplemental offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with Notes. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular.

Arrangers

HSBC **ING**

Dealers

Crédit Agricole CIB **HSBC**

ING **NATIXIS**

The date of this Offering Circular is 18 December 2019.

IMPORTANT NOTICE

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKSE Rules") for the purpose of giving information with regard to each of the Issuer and the Guarantors. The Issuer and the Guarantors accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Investors are advised to read and understand the contents of the Offering Circular before investing. If in doubt, investors should consult their advisers.

In this Offering Circular, references to the "Issuer" are to Goodman HK Finance, references to the "Guarantors" are to Goodman Hong Kong Logistics Fund and Goodman HK Investments, references to the "GHKLF Group" are to GHKLF and its subsidiaries and references to the "Goodman Group" are to the stapled entities Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited listed on the Australian Stock Exchange.

This Offering Circular and any Pricing Supplement is to be read and construed in conjunction with any amendments or supplements hereto and all documents which are deemed to be incorporated herein by reference. See "*Documents Incorporated by Reference*". This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Arrangers, the Dealers, the Agents and the Trustee (as defined under "*Terms and Conditions of the Notes*") 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 Arrangers, the Dealers, the Agents or the Trustee as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme. No Arranger, Dealer, Agent nor Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided or purported to be provided by any Arranger, any Dealer, any Agent, the Trustee, the Issuer or the Guarantors or on their behalf in connection with the Programme, the Issuer, the Guarantors or the Notes. Each Arranger, each Dealer, each Agent and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or such information.

No person is or has been authorised by the Issuer, the Guarantors or the Dealers 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, the Guarantors or any of the Arrangers or the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Guarantors or any of them or any of the Dealers, the Agents or the Trustee 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 and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantors or any of them, any of the Arrangers, the Dealers, the Agents or the Trustee 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, the Guarantors, the GHKLF Group and/or the Goodman Group or any of them is correct at any time subsequent to the date hereof 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 Arrangers and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors or any of them during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or, in the case of Notes being offered or sold in reliance on Category 2 of Regulation S of the Securities Act, to, or for the account or the benefit of U.S. persons unless an exemption from the registration requirement of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer. See "*Subscription and Sale*".

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Important – EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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. None of the Issuer, the Guarantors, the Arrangers and the Dealers represents 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Guarantors, the Arrangers 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, Australia, the European Economic Area, the United Kingdom, The Netherlands, the People's Republic of China, Hong Kong, Taiwan, Japan, the Cayman Islands and Singapore. See "*Subscription and Sale*".

In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantors, GHKLF Group and the Goodman Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each person receiving this Offering Circular and any Pricing Supplement acknowledges that such person has not relied on the Arranger, the Dealer(s), the Trustee or the Agents or any person affiliated with the Arranger, the Dealer(s), the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Guarantors, the Arrangers, the Dealer(s), the Trustee, the Agents or their respective directors and advisers, and none of the Issuer, the Guarantors, the Arrangers, the Dealer(s), the Trustee, the Agents and their respective directors and advisers makes 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.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and the actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's and/or the Guarantors' plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "Risk Factors", "Description of the Issuer" and "Description of the GHKLF Group" and other sections of this Offering Circular.

The Issuer and the Guarantors have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Issuer and the Guarantors believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer and/or the Guarantors has otherwise identified in this Offering Circular, or if any of the Issuer's and/or the Guarantors' underlying assumptions prove to be incomplete or inaccurate, the Issuer's and/or the Guarantors' actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include (see "*Risk Factors*" for more detailed disclosure of risks):

- the GHKLF Group's ability to achieve and manage the growth of its business;
- the performance of the market and industries in Hong Kong, in which the GHKLF Group operates, including, but not limited to, the warehouse, logistics and data centre property market and the property development industry;
- the GHKLF Group's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the GHKLF Group's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- future political and legal developments, including in connection with social unrest and political developments, in Hong Kong;
- adverse changes to the various laws, regulations and policy requirements to which GHKLF Group is subject;
- the GHKLF Group's ability to attain required permits, certificates and approvals for its property development and construction activities;
- the GHKLF Group's exposure to risks in real estate construction and development projects, including, but not limited to, the carrying out of projects on a timely basis and within budget, and sourcing tenants for new projects;
- adverse economic conditions in Hong Kong or elsewhere, including as a result of trade wars, social and political unrest in or affecting Hong Kong;
- occurrence of natural disasters, contagious diseases, catastrophes or other events where GHKLF Group's properties and operations are located;
- downturn in the business, financial conditions and results of operations of the GHKLF Group's customers or service providers; and
- disruptions to GHKLF Group's information technology system and other operational risks.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer and the Guarantors expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

CURRENCIES

In this Offering Circular, all references to "HK$" refer to Hong Kong dollars, all references to "A$" refer to Australian dollars, all references to "U.S.$" and "$" refer to United States dollars, all references to "Sterling" and "£" refer to pounds sterling and all references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

CONTENTS

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement;

(ii) all amendments and supplements from time to time to this Offering Circular; and

(iii) any annual or interim financial statements (whether audited or unaudited) of GHKLF that are appended to or circulated with this Offering Circular and are dated as at a date, or for a period ending, subsequent to those financial statements appearing elsewhere in 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, Sundays and public holidays excepted) from the specified office of the Trustee set out at the end of this Offering Circular.

SUMMARY OF THE GHKLF GROUP

Business Overview

Established in 2005, GHKLF is an unlisted property fund managed by Goodman Group that invests in modern logistics, warehouse and data centre properties in Hong Kong through its wholly-owned subsidiary Goodman HK Investments. Subsidiaries of Goodman Group provide management, advisory and property administration services to the GHKLF Group.

As at 30 September 2019, Goodman Group held a 20 per cent. cornerstone shareholding in GHKLF, with the remaining shares held by institutional investors. Goodman Group is a leading international owner, developer and manager of industrial, warehouse, logistics, data centre properties and business space, with assets under management of approximately U.S.$32.5 billion as at 30 September 2019, and approximately 1,000 employees across 30 offices globally.

For more information about Goodman Group, see "*Description of the Management of GHKLF*" below.

As at 30 September 2019, GHKLF was the leading and the most diversified provider of modern warehouse and logistics space in Hong Kong (by total gross floor area) according to Savills (Hong Kong) Limited, focused on providing institutional investors with a long-term exposure to a diversified portfolio of industrial properties in Hong Kong (including warehouse, logistics, data centre properties and business space) that deliver stable, income driven returns with potential for income growth and capital appreciation.

As at 30 September 2019, GHKLF's investment portfolio comprised of 11 wholly or majority owned properties, two development sites and an interest in Container Terminal No. 3 ("**CT3**"). Collectively, the investments had a market value of HK$42.0 billion as of 30 September 2019, with a gross lettable area of 14.8 million square feet.

GHKLF's business strategy is to be the leading provider of industrial, warehouse, logistics, data centre properties and business space in Hong Kong. GHKLF's competitive advantages include the scale of its property portfolio, which offers a range of quality space to its diversified customer base, and its access to management services provided by Goodman Group.

Market Overview

The warehouse and logistics property market in Hong Kong has historically benefited from strong consumption and associated demand for quality warehousing and logistics space. As at 30 September 2019, market vacancy rates have remained below 5 per cent. and rental growth has averaged 3 per cent. per annum in the past 5 years according to Jones Lang LaSalle Hong Kong Limited. These properties have typically benefited from strong rental growth over time as a result of consistent demand, a shortage of supply of new industrial properties due to an overall shortage of land available for new development in Hong Kong, and the Hong Kong government has also introduced revitalisation policies to encourage the renovation and conversion of older industrial buildings for alternate uses, which has further reduced the supply of industrial properties.

Data centre properties typically benefit from the growing demand for data storage and cloud computing solutions, the constraints in securing adequate power and the shortage of land available for the development of new data centres in Hong Kong.

GHKLF believes that its performance will continue to be underpinned by a number of market trends which include:

Domestic demand – customer demand supported by domestic private consumption and in-bound tourism promoting retail sales and consumption, which in turn drives demand for logistics and warehousing space. Domestic private consumption grew at a CAGR of 5.5 per cent per annum. over the past three years ended 31 December 2018, which has been supported by a low unemployment rate, stable inflation environment and real wage growth. Total tourist arrivals reached 65 million in 2018, representing an increase of 15.0 per cent. from 57 million in 2016. Domestic consumption and increase in the number of tourists has contributed to retail sales growth at a CAGR of 5.4 per cent. over the past three years ended 31 December 2018. Although these numbers have dropped in 2019 with the social and political unrest in Hong Kong, as retail sales have historically increased, the demand for warehouse space from retailers and end-users operating in Hong Kong has also increased. While the recent political and social protests and disruptions in Hong Kong have not had a significant impact on the demand for warehouse space from retailers and end-users operating in Hong Kong, if such protests and disruptions continue for a long period of time, there can be no assurance that the demand will not be affected. See "*Risk Factors – Risks relating to the Business and Industry of GHKLF – GHKLF's performance is dependent on the Hong Kong property markets.*"

Regional distribution – Hong Kong is well-positioned as a regional distribution hub for Asia. Hong Kong has well established logistics connections, and according to Airport Council International, is home to the world's busiest international air cargo centre; and according to World Shipping Council, the world's seventh busiest container terminal in 2018. Extensive logistics connections, free trade port status and ongoing infrastructure improvements is expected to continue supporting Hong Kong's position as a regional distribution hub, which in turn drives demand for logistics and warehousing space.

Data centres – Hong Kong is an established data centre hub in the Asia Pacific region due to its existing telecommunications infrastructure, reliable power supply, connectivity with the international submarine cable network, close proximity to major consumer markets and transparent legal system. Similar to other markets, there is expected to be increasing demand for data centre space in Hong Kong in the foreseeable future as new technologies such as artificial intelligence, machine learning, internet of things and 5G networks generate increasing amounts of data; large emerging economies in the Asia region, including China, India and Indonesia, rapidly adopt digital technologies; and the rising cost and complexity of IT infrastructure are driving enterprises to outsource their IT operations and data storage requirements to specialist data centre service providers.

Decreasing supply – the Hong Kong industrial market has experienced a net decrease in the supply of industrial buildings compared to a growth in demand. Competing demands for space in Hong Kong's land constrained market has led to limited new logistics and warehouse properties being developed during the past decade. At the same time, government policies that encourage revitalisation of older industrial buildings has resulted in older industrial properties being converted and redeveloped for alternative uses, such as commercial and residential properties. Such factors have led to an overall net reduction in the supply of industrial buildings when compared with the growth of demand for the same by approximately 5 per cent. over the past 12 years, based on research by Savills. Savills expects further reduction of the supply of industrial properties over the medium term, increasing demand for existing space and low prevailing vacancy levels. The decreasing overall supply of industrial properties and low market vacancy rates provide support for the rental values of GHKLF's properties.

Investment Objectives, Strategy and Guidelines

The investment objectives of GHKLF are:

- to provide institutional investors with a long-term exposure and investment opportunities in a diversified portfolio of industrial properties in Hong Kong (including warehouse, logistics, data centre properties and business space); and

- to deliver stable, income driven returns with potential for income growth and capital appreciation.

To achieve these investment objectives, GHKLF's investment strategies are to:

- acquire further investments in industrial properties which enhance portfolio diversity and improve risk-adjusted returns;

- divest assets that are forecasted to not meet targeted returns, at an appropriate time;

- undertake a measured component of opportunities in enhanced return investments and development investments; actively manage, through other Goodman Group service providers, assets in the portfolio to identify and implement return enhancing opportunities; and

- implement appropriate capital management strategies to optimise returns.

GHKLF's investment guidelines aim to ensure the construction of the portfolio and its capital structure is consistent with the overall investment objectives and strategies, whereby:

- single asset exposure will not be more than 25 per cent.;

- exposure to vacant land will not be more than 5 per cent.;

- exposure to enhanced return/development assets will not be more than 20 per cent. (including 5 per cent. in relation to vacant land);

- exposure to industrial properties will not be less than 90 per cent.; and

- GHKLF will only acquire interests in assets where it intends to assume effective control of the management of the property within a reasonable timeframe.

Notwithstanding the above investment guidelines, the GHKLF investors committee (the "**Investors Committee**") may vote to waive one or more of the exposure limits from time to time.

GHKLF has access to a pipeline of premium industrial properties pursuant to a right of first refusal over the Goodman Group's sourced acquisitions and developments in Hong Kong comprising of warehouse, distribution, logistics centres and data centres.

Overview of the Portfolio

GHKLF has a diversified portfolio offering stable and recurring revenue. The portfolio occupancy was 99.4 per cent. and the weighted average lease expiry was 3.3 years as at 30 September 2019. GHKLF has a diverse portfolio of 11 wholly or majority owned properties and a 50 per cent. interest in CT3, offering 14.8 million square feet of space, strategically located in the key industrial, logistics and data centre areas in Hong Kong.

GHKLF's portfolio has been developed and repositioned to offer its customers a high standard of industrial, warehousing, logistics and data centre space. This is complemented by a high-quality in-house asset management team provided by subsidiaries of Goodman Group, with approximately 70 direct staff who provide integrated management services including asset management, property management, leasing and building administration and related support services.

GHKLF's investment assets as at 30 September 2019 are as follows:

- nine wholly-owned[1] properties representing 58.4 per cent. of the total market value of GHKLF's portfolio;

- a 50.0 per cent. interest in Goodman Interlink representing 12.2 per cent. of the total market value of GHKLF's portfolio (with the remaining 50.0 per cent. held by Canadian Pension Plan Investment Board and collectively managed by Goodman Group);

- a 25.5 per cent. interest in ATL Logistics Centre ("**ATL**"), the world's largest logistics building, representing 14.5 per cent. of the total market value of GHKLF's portfolio, pursuant to GHKLF's 75.0 per cent. ownership of Goodman DP World Hong Kong Limited, the joint venture vehicle with DP World Limited which holds indirect and controlling interests in ATL and CT3;

1 Excluding strata interests.

- a 50.0 per cent. interest in CT3 (held through Goodman DP World Hong Kong Limited), representing 1.7 per cent. of the value of the portfolio, pursuant to GHKLF's 75.0 per cent. ownership of Goodman DP World Hong Kong Limited. The joint venture partner DP World Limited, a leading global ports operator, manages the daily operations of CT3; and

- two wholly-owned development sites located in Tsuen Wan West and Tuen Mun representing 13.2 per cent. of the total market value of GHKLF's portfolio.

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 "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuer:	Goodman HK Finance.
Guarantors:	Goodman Hong Kong Logistics Fund Goodman HK Investments.
Description:	Euro Medium Term Note Programme.
Arrangers:	The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") and ING Bank N.V., Singapore Branch ("**ING**").
Dealers:	Crédit Agricole Corporate and Investment Bank, HSBC, ING and Natixis, and any other Dealers appointed in accordance with the Dealer Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restriction applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	The Bank of New York Mellon, London Branch.
Principal Paying Agent:	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Programme Size:	Up to U.S.$2,000,000,000 in nominal amount (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer and the Guarantors may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions – Notes having a maturity of less than one year*" above).
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, 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 or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) 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 (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) 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 specified in the applicable Pricing Supplement.

Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the applicable Pricing Supplement.
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 will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in (i) specified instalments, if applicable, (ii) for taxation reasons or (iii) following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as specified in the applicable Pricing Supplement. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption and Triggering Event Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted (i) for tax reasons as described in Condition 10(b) *(Redemption and Purchase – Redemption for tax reasons)* and (ii) following a Change of Ownership of Investment Manager or Property Manager (as defined under "*Terms and Conditions of the Notes*") as described in Condition 10(f) *(Redemption and Purchase – Redemption in the event of a Triggering Event).*

Taxation:	All payments in respect of Notes and the Guarantee of the Notes will be made free and clear of withholding taxes of the Cayman Islands and Hong Kong, as the case may be, unless the withholding is required by law. In that event, the Issuer or (as the case may be) the Guarantors will (subject to certain customary exceptions as described in Condition 13 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes or, as the case may be, the Guarantee of the Notes, had no such withholding been required. In making an investment decision, each prospective investor is strongly recommended to consult its own professional advisers in respect of the tax implications of holding the Notes. See "*Taxation*".
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5 (*Negative Pledge*).
Cross Default:	The terms of the Notes will contain a cross default provision, as further described in Condition 14 (*Events of Default*).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Guarantee of the Notes:	The Notes will be unconditionally and irrevocably, jointly and severally, guaranteed by the Guarantors. The obligations of each Guarantor under the Guarantee of the Notes (as defined under "*Terms and Conditions of the Notes*") will be direct, unconditional and (subject to provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of each Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Rating:	Notes issued under the Programme may be rated or unrated. Where an issue of Notes is 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, change or withdrawal at any time by the assigning rating agency.

Listing:	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period from the date of this Offering Circular. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s). Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies).
Legal Entity Identifier:	213800SL4LTTO1S5AU13
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Clearing Systems:	Euroclear, Clearstream and/or any other clearing system, as specified in the relevant Pricing Supplement (see "*Form of Notes*").
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, Australia, the European Economic Area, the United Kingdom, The Netherlands, the People's Republic of China, Hong Kong, Taiwan, Japan, Cayman Islands and Singapore 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*").
United States Selling Restrictions:	Regulation S (Category 1 or 2, as specified in the applicable Pricing Supplement). TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

SELECTED FINANCIAL INFORMATION OF GHKLF

The following tables set forth the summary consolidated financial and other information of GHKLF as at and for the periods indicated. The summary consolidated financial information as at and for the years ended 31 March 2017, 2018 and 2019 set forth below is derived from GHKLF's audited consolidated financial statements as at and for the years ended 31 March 2017, 2018 and 2019 and should be read in conjunction with the audited consolidated financial statements of GHKLF and the notes thereto included elsewhere in this Offering Circular. The consolidated financial statements as at and for the three years ended 31 March 2017, 2018 and 2019 have been audited by KPMG, Certified Public Accountants. GHKLF's consolidated financial statements as at and for the years ended 31 March 2017, 2018 and 2019 were prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

Summary of Consolidated Statement of Profit or Loss Data

	Year ended 31 March		
	2019	**2018**	**2017**
		(HK$ million)	
Revenue	937.4	885.7	875.5
Property operating expenses	(122.8)	(124.3)	(120.4)
Net property income	814.6	761.4	755.1
Interest income	37.0	48.3	45.3
Other net gain/(loss)	76.8	(77.7)	(146.9)
Performance fee	(710.0)	(414.0)	(1,023.0)
Administrative expenses	(125.6)	(108.0)	(109.7)
Finance costs	(399.5)	(333.3)	(354.7)
– *Senior debt*	(190.2)	(111.7)	(113.6)
– *Subordinated debt*	(317.3)	(256.8)	(237.0)
– *Borrowing costs written-off at refinancing*	–	–	(4.1)
– *Capitalised interest*	108.0	35.2	–
Share of profits of joint ventures	994.0	1,449.8	1,339.7
Profit before increase in fair value of investment properties	687.3	1,326.5	505.8
Increase in fair value of investment properties	4,462.8	1,702.3	1,240.1
Profit before taxation	5,150.1	3,028.8	1,745.9
Taxation	(85.5)	(64.3)	(42.7)
Profit for the year	5,064.6	2,964.5	1,703.2
Adjustments (operating profit)			
Increase in fair value of investment properties	(4,462.8)	(1,702.3)	(1,240.1)
Performance fee	710.0	414.0	1,023.0
Deferred taxation	32.8	8.8	(1.6)
Borrowing costs written-off at refinancing	–	–	4.1
Fair value change on derivative financial instruments	(80.5)	74.0	143.2
Share of increase in fair value of investment properties in joint ventures	(660.5)	(1,123.3)	(1,040.3)
Share of fair value change on derivative financial instruments in a joint venture	0.6	(1.0)	(0.5)
Share of deferred taxation in joint ventures	5.2	5.0	11.4
Share of depreciation in joint ventures	36.2	36.8	36.6
Share of written-off of unamortised borrowing costs in a joint venture	–	5.1	–
Net profit available for distribution	645.6	681.6	639.0
Subordinated debt interest expense	310.6	250.0	230.4
Operating profit	956.2	931.6	869.4
EBITDA[(Note 1)]	1,189.4	1,143.1	1,089.9

	Year ended 31 March		
	2019	2018	2017
	(HK$ million)		
Additional financial information for share of profits of joint ventures (on proportionate basis):			
Revenue	701.4	728.5	685.3
Net property income	523.8	508.7	469.8
EBITDA	500.3	489.7	453.5
Depreciation	(36.2)	(36.8)	(36.6)
Interest income	0.5	0.1	–
Finance costs	(64.9)	(61.5)	(57.7)
Increase in fair value of investment properties	660.5	1,123.3	1,040.3
Taxation	(66.2)	(65.0)	(59.8)
Share of profits of joint ventures	994.0	1,449.8	1,339.7

Note 1:

EBITDA is calculated based on Net Property Income minus Administrative Expenses plus the share of joint ventures' EBITDA.

EBITDA is not a uniformly or legally defined financial measure. It generally represents earnings before interest, taxes, depreciation and amortisation. GHKLF presents EBITDA because it believes it to be an important supplemental measure of its performance and liquidity and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in this industry.

The EBITDA figures are not, however, readily comparable to other companies' EBITDA figures, as they are calculated differently and must be read in conjunction with the related additional explanations. EBITDA has limitations as an analytical tool and potential investors should not consider it in isolation or as a substitute for analysis of its results as reported under HKFRS. Some of the limitations concerning EBITDA are:

- EBITDA does not reflect GHKLF's cash expenditure or future requirements for capital expenditure or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, GHKLF's working capital needs;
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on GHKLF's debt;
- Although depreciation and amortisation are non-cash charges, the assets being depreciated or amortised will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in the industry may calculate EBITDA differently than GHKLF does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to GHKLF to invest in the growth of its business. GHKLF compensates for these limitations by relying primarily on its HKFRS results and using EBITDA only on a supplemental basis.

Summary of Consolidated Statement of Financial Position Data

	As at 31 March		
	2019	2018	2017
		(HK$ million)	
Cash and bank balances	98.0	1,014.0	1,144.2
Other assets	800.8	821.3	771.4
Investment properties	21,475.7	16,951.9	15,196.9
Investment properties under development	5,404.7	1,108.8	1,050.7
Interests in joint ventures	10,123.5	9,695.0	8,573.3
Total assets	37,902.7	29,591.0	26,736.5
Other liabilities	469.3	322.2	283.0
Derivative financial instruments	41.8	51.9	14.2
Deferred tax liabilities	342.5	329.2	312.3
Provision for performance fee	2,147.0	1,437.0	1,023.0
Senior debt	3,246.0	–	–
Long-term notes	3,101.2	3,101.2	3,101.2
Subordinated debt	5,877.5	5,877.5	5,877.5
Total liabilities	15,225.3	11,119.0	10,611.2
Net assets	22,677.4	18,472.0	16,125.3
Net assets excluding subordinated debt	28,554.9	24,349.5	22,002.8

Additional financial information for interests in joint ventures (on proportionate basis):

	2019	2018	2017
Non-current assets	11,966.7	11,330.1	10,253.1
– *Investment properties*	11,236.7	10,557.7	9,403.4
– *Property, plant & equipment*	728.6	759.9	793.5
Current assets	202.3	211.0	162.3
Current liabilities	192.0	829.9	206.6
– *Shareholders' loan*	–	618.6	–
Non-current liabilities	1,853.5	1,016.2	1,635.5
– *Shareholders' loan*	618.6	–	618.6
– *Bank loan*	1,016.0	803.5	811.0
Interests in joint ventures	10,123.5	9,695.0	8,573.3

Summary of Consolidated Cash Flow Statement Data

	Year ended 31 March		
	2019	2018	2017
	(HK$ million)		
Profit before taxation	5,150.1	3,028.8	1,745.9
Depreciation	0.3	–	–
Interest income	(37.0)	(48.3)	(45.3)
Finance costs	399.5	333.3	354.7
Increase in fair value of investment properties	(4,462.8)	(1,702.3)	(1,240.1)
Fair value change on derivative financial instruments	(76.4)	78.1	147.4
Share of profits of joint ventures	(994.0)	(1,449.8)	(1,339.7)
Amortisation of leasing costs	19.6	17.8	17.6
Provision for performance fee	710.0	414.0	1,023.0
Hong Kong Profits Tax paid	(58.6)	(58.2)	(44.2)
Changes in working capital	56.3	9.7	(14.2)
Net cash generated from operating activities	707.0	623.1	605.1
Payment for additions to property, plant and equipment	(4.8)	–	–
Payment for additions to investment properties	(90.6)	(70.1)	(63.6)
Payment for additions to investment properties under development	(4,187.9)	(45.2)	(13.9)
Proceeds from disposal of subsidiaries	–	–	703.2
Dividends received from joint ventures	553.1	335.8	300.1
Interest received	37.0	47.3	45.4
Decrease/(increase) in deposits with original maturity over three months	980.0	(580.0)	(400.0)
Net cash (used in)/generated from investment activities	(2,713.2)	(312.2)	571.2
Borrowing costs paid	(522.7)	(354.3)	(366.8)
Proceeds from/(repayment of) bank loans	3,246.0	–	(400.0)
Dividends paid	(653.1)	(666.8)	(639.5)
Net cash generated from/(used in) financing activities	2,070.2	(1,021.1)	(1,406.3)
Net increase/(decrease) in cash and cash equivalents	64.0	(710.2)	(230.0)

Other Financial Data

	Year ended 31 March		
	2019	2018	2017
	(HK$ million)		
Funds from operations (FFO)			
Net cash generated from operating activities	707.0	623.1	605.1
Dividend received from joint ventures	553.1	335.8	300.1
Interest received	37.0	47.3	45.4
	1,297.1	1,006.2	950.6

Key Ratios

	Year ended/as at 31 March		
	2019	**2018**	**2017**
EBITDA margin(Note 2)	74.8%	73.8%	73.3%
EBITDA/Finance costs(Note 3)	6.5x	10.7x	10.1x
FFO/Finance costs(Note 4)	6.8x	9.0x	8.4x
Net debt(Note 5)/EBITDA	5.0x	1.8x	1.7x
Net debt(Note 5)/Total assets(Note 6) (Gearing Ratio)	16.5%	7.3%	7.6%
Net debt(Note 5)/Total capital(Note 7)	18.0%	7.9%	8.2%

Note 2:

EBITDA margin is equal to EBITDA divided by turnover (including share of joint ventures' turnover and EBITDA).

Note 3:

Finance costs are in respect of senior debt only and exclude interest expenses on subordinated debt and borrowing costs written-off at refinancing and capitalised interest.

Note 4:

"Net debt" represents senior debt net of cash and bank balances.

Note 5:

"Total assets" represents total assets net of cash and bank balances.

Note 6:

"Total capital" represents net assets excluding subordinated debt and net debt.

RISK FACTORS

Prior to making any investment decision, prospective investors should carefully consider all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and neither the Issuer nor either Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuer or the Guarantors or which the Issuer or the Guarantors currently deem to be immaterial, may affect the GHKLF Group's business, financial condition or results of operations or its ability to fulfil its obligations under the Notes.

Risks Relating to the Issuer

The Issuer is a special purpose company with no business activities of its own and will be dependent on funds from GHKLF and its subsidiaries to make payments under the Notes.

The Issuer was established specifically for the purpose of raising finance for GHKLF and will use the net proceeds from the issue of the Notes under the Programme to on-lend to GHKLF and its subsidiaries for general corporate purposes unless specified otherwise in the relevant Pricing Supplement. The Issuer does not and will not have any business activities other than obtaining bank financing, the issuance of debt securities, the lending of the proceeds of any bank loans or any Notes issuance(s) to the GHKLF Group, the receipt of loan repayments and interest payments from members of the GHKLF Group, the servicing of its obligations under the bank facilities and under the Notes and certain activities ancillary thereto, and entering into financial derivatives for the purpose of hedging against exposure on movements of currency and floating interest rate risks. Its ability to make payments under the Notes and to pay its other expenses is dependent on its receipt of repayments from the Guarantors and their subsidiaries or the performance by the Guarantors of their obligations under the Guarantee of the Notes. Other than the foregoing, the Issuer will not have any significant funds available to it to meet its obligations under the Notes.

Risks Relating to the Business and Industry of GHKLF

GHKLF's performance is dependent on the Hong Kong property markets.

GHKLF has interests in a number of real estate properties, all of which are situated in Hong Kong. Consequently, GHKLF's business, financial condition and results of operations are dependent on the operational and financial performance of these properties (see "*Description of the GHKLF Group*").

The property interests of GHKLF are subject to certain risks inherent in the ownership of, investment in and development of real estate properties. These risks include, but are not limited to, the cyclical nature of property markets, changes in general economic, consumption, business, social, political and credit conditions, changes in government policies or regulations affecting real estate, building and other raw materials shortages, fluctuations in interest rates and the costs of labour and materials. GHKLF's property interests are also affected by the strength of the broader Hong Kong property market.

In the past, Hong Kong property values have been affected by supply and demand of comparable properties, the rate of economic growth in Hong Kong and in the People's Republic of China (the "**PRC**"), and political, social and economic developments in both Hong Kong and the PRC as well as the condition of the global economy. Economic developments outside Hong Kong, such as trade disputes between countries (including trade issues involving the PRC and the United States), changes or developments involving national or economic unions, treaties or pacts (including potential changes to membership of the European Union), the economy in the PRC and the United States, interest rate movements and unemployment rates in those and other countries, could also adversely affect the property market in Hong Kong.

Political or economic instability in Hong Kong may lead to sustained slowdown in domestic economic activities. Hong Kong has thus far enjoyed a high degree of legislative, judicial and economic autonomy since becoming a Special Administrative Region of the PRC in 1997, however, there can be no assurance that there will not be a change in political or regulatory oversight as a consequence of the exercise of PRC sovereignty over Hong Kong. Moreover, civil unrest may impact the Hong Kong economy and result in an economic slowdown. In September 2014, a civil disobedience campaign was launched, known as the "Occupy Central" movement, in Hong Kong, resulting in closure of main roads in various parts of Hong Kong Island and Kowloon and had a short-term adverse impact on various businesses in the affected areas. The recent anti-extradition bill protests and disruption to businesses and transportation in various parts of Hong Kong have decreased and may continue to decrease consumer spending and affect inbound tourism to Hong Kong, which in turn may have a negative impact on the Hong Kong economy. Civil unrest is outside the control of GHKLF and there can be no assurance that further large-scale protests will not occur in the future or as to the authorities' reactions to any such protests if they recur and the effect on the stability of the political and economic conditions in the region. In the event of economic slowdown in Hong Kong, the PRC or globally, the GHKLF Group may experience market pressures that affect companies with significant interests in the Hong Kong property market or operations in Hong Kong, the PRC or the Asian regionally generally, such as pressures from tenants or prospective tenants to provide rent reductions, rent waivers or other forms of incentive or discounted arrangements, reduced market prices for properties or decrease in the general demand for logistics, warehouse and data centre properties. Rental values are also affected by factors such as supply and demand of comparable properties, social and political developments, governmental regulations and changes in planning or tax laws, interest rate fluctuations and inflation. Any decline in rental yields or property values could have an adverse effect on GHKLF's business, financial condition or results of operations.

There can be no assurance that rents and property values will not decline, tightening of credit provided by banks will not increase, the appetite of investors in the debt capital markets will remain the same or that interest rates will not rise in the future. Any adverse developments with respect to the property markets in Hong Kong and the various factors that may affect the property markets in Hong Kong could have an adverse effect on GHKLF's business, financial condition or results of operations.

GHKLF's interest in Container Terminal 3 is subject to risks inherent in the port industry.

GHKLF owns a 50 per cent. interest in a container terminal in Hong Kong: CT3. CT3's value represents 1.7 per cent. of GHKLF's portfolio as at 30 September 2019.

The container port industry has historically experienced seasonal variations due to changing international and local economic conditions which has a direct effect on international trade and the volume of goods imported into and exported from or through Hong Kong, the PRC and neighbouring countries. This seasonality may result in quarter-to-quarter volatility in the operating results of CT3, which could in turn impact the business, financial condition or the results of operations of GHKLF.

Various countries engaged in trade involving CT3's customers (international container shipping lines) may impose tariffs or non-tariff barriers to restrict the flow of imported products into their local markets. Such trade barriers or any trade dispute with the principal trading partners of Hong Kong or PRC or neighbouring countries may hinder international trade and the volume of shipments, which may in turn adversely affect the business, financial condition or the results of operations of GHKLF.

The international container shipping industry has recently seen the merger and consolidation of shipping lines, and the formation of alliances between shipping lines, all of which may cause a reduction of competition in the sector and undermine CT3's ability to retain and procure service agreements with the shipping lines. Further, the formation of the Hong Kong Sea Port Alliance between various CT3 competitors, including Hongkong International Terminals Limited, COSCO-HIT Terminals (Hong Kong) Limited, Asia Container Terminals Limited and Modern Terminals Limited, to collaborate on operations at Kwai Tsing container terminals may also undermine CT3's ability to retain and procure service agreements with the shipping lines. These industry trends may have a negative impact on the operating results of CT3, which could in turn impact the business, financial condition or the results of operations of GHKLF.

In addition, CT3 may require periodic capital expenditure beyond its current estimates, for example for refurbishment, renovation and improvements. CT3 may not be able to fund capital expenditure solely from cash provided from its operating activities and it may not be able to obtain additional equity or debt financing, on favourable terms or at all. If CT3 is not able to obtain such financing, the appeal of CT3 may be affected, which could in turn have a material adverse effect on the business of CT3. CT3 may also need to undergo upgrading or redevelopment works from time to time to retain its competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults of problems that may develop or because of new planning laws or regulations.

The business and operations of CT3 may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or redevelopment works. Further, CT3 is located in an area at risk from the effects of natural disasters and other potentially catastrophic events, such as typhoons. There can be no assurance that natural disasters will not occur and result in major damage to the CT3 port or the supporting infrastructure facilities in the vicinity, which may lead to a significant disruption to the business and operations of CT3 and may impose unforeseen costs on CT3 and result in an adverse impact on its business, financial condition and results of operations.

GHKLF's properties and operations are subject to various types of natural disaster risk and occurrences of contagious diseases.

GHKLF's properties and operations are subject to other external risks such as natural disasters, contagious diseases, catastrophe or other events. A natural disaster, contagious disease, catastrophe or other event could result in severe personal injury, property damage, environmental damage and slowdowns in economies, which may curtail GHKLF's operations and materially adversely affect its cash flows and, accordingly, adversely affect its ability to service debt.

GHKLF's operations are based in Hong Kong, which is exposed to potential natural disasters including, but not limited to, typhoons, storms and floods. If any of GHKLF's properties or CT3 are damaged by severe weather or any other disaster, accident, catastrophe or other event, GHKLF's operations may be significantly interrupted and its business and financial condition adversely affected. Even where insurance is in place to assist in recovering some of the financial losses which may result from such natural disasters, it may take significant time to restore the affected property to its previous condition, and the insurance proceeds which may be paid may take some time before it can be collected and may not represent the entire amount of the financial loss suffered, given various factors such as policy exclusions, policy deductible amounts and insurance limits.

Hong Kong has been exposed to various outbreak of contagious diseases such as an outbreak of SARS in 2003, sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans, and outbreaks among humans of the influenza A/H1N1 virus in 2009 and 2010. There can be no assurance that there will not be another significant outbreak of a highly contagious disease in the future in Hong Kong or other markets which may affect GHKLF. If such an outbreak were to occur, it may have a material adverse impact on the economies of Hong Kong, which in turn may adversely affect the business, financial condition or results of operations of GHKLF.

GHKLF's business may be affected by global and regional economic developments.

Economic developments outside Hong Kong could also adversely affect the property markets in Hong Kong and GHKLF's overall business, financial condition or the results of operations. In recent years, the global credit markets have experienced significant dislocations and liquidity disruptions which have originated from the liquidity disruptions and other uncertainties in the United States and the European Union credit markets.

The economies of Asia and other countries may be adversely impacted by actual or expected decreases in the rate of growth of the PRC's economy, consumption and investment, and concerns over the volume and quality of credit. These global and regional economic factors may adversely affect economic growth in Hong Kong and elsewhere. There can be no assurance that a recession or slower economic growth in the PRC, the United States or other economies will not result in reduced demand or a decrease in consumers' or investors' confidence in the property markets or lower property prices in Hong Kong.

The tightening of liquidity in global financial markets coupled with the withdrawal or potential withdrawal of existing monetary and fiscal stimuli measures of various governments, have in recent years affected the availability of credit and led to an increase in the cost of financing. The United States lowered its federal funds rate during its July 2019 meeting and there is uncertainty as to the pace of future interest rates cuts, which would have a material impact on global borrowing costs. The GHKLF Group and its joint ventures may have difficulty in the future in accessing the financial markets, which could make it more difficult or expensive to obtain funding. There can be no assurance that the GHKLF Group and its joint ventures will be able to continue to raise finance at a reasonable cost, or at all, which may have an adverse effect on its business, financial condition and results of operations.

Volatility in financial markets, occurrences of trade disputes and other international events such as the withdrawal of the United Kingdom from the European Union and the escalation of bilateral tariffs as trade tensions rise in the U.S.-China trade war may result in significant political, social and macroeconomic uncertainty which may have a material adverse effect on global credit and financial markets. These events may have flow on effects to trading and economic relationships globally, which in turn may adversely impact trade and economic activity in Hong Kong and have an adverse effect on GHKLF's business, financial condition and results of operations.

The real property portfolio of GHKLF and the returns from its investments could be adversely affected by fluctuations in the value and rental income of its properties and other factors.

Returns from an investment in real estate depend largely upon the amount of rental income generated from the property and the expenses incurred in the operation of the property, including the management and maintenance of the property, as well as changes in the market value of the property.

Rental income and the market value of properties may be adversely affected by a number of factors including:

- the overall conditions in the economies in which GHKLF operates, such as growth or contraction in gross domestic product, consumer sentiment, employment, tourism and spending trends, the nature of consumer spending (such as the adoption of online shopping or e-commerce which drives a need for warehousing and distribution centres), the level of inflation and local and global interest rates;
- local real estate conditions, such as the level of demand for, and supply of industrial, warehouse, logistics, data centre and business space;
- the perception of prospective customers of the usefulness and convenience of the relevant property;
- the financial condition of customers and the possible bankruptcy of customers;
- high or increasing vacancy rates and the amount of available space in the markets in which GHKLF operates, which may increase when new developments are undertaken in those markets;
- changes in tenancy laws; and
- external factors including major world events, such as war and terrorist attacks, and acts of God such as typhoons and earthquakes.

In addition, other factors may adversely affect a property's value without necessarily affecting its current revenues and operating income, including:

- changes in laws and governmental regulations, including tenancy, zoning, planning, environmental or tax laws;
- potential environmental or other legal liabilities;
- unforeseen capital expenditure;
- the supply and demand for industrial, warehousing, data centre properties and business space;
- the availability of debt and equity financing; and
- changes in interest rates.

Consequently, GHKLF's business, financial condition and operating results may be materially adversely impacted by economic conditions.

Reduction in the maximum loan-to-value ratio for mortgages, changes in capital requirements or other impacts on the terms or availability on which credit may be provided and increases in interest rates in Hong Kong where GHKLF has property interests may also adversely affect the availability of loans on terms acceptable to purchasers, and hence the amount of other income GHKLF may be able to generate should it wish to dispose of any property interests. GHKLF may also be subject to third party solvency and other risks in relation to its financial investments and arrangements.

There is a risk that in an environment of low commercial property transaction volume, there may be little comparable market references relating to pricing assumptions and market drivers, which means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. In such an environment, there is no assurance that available comparable sales data for investment properties will be reflective of the actual value of GHKLF's investment properties and developments.

The aggregate return of GHKLF may be materially affected by the performance of a single investment. GHKLF may only invest in logistics, warehouse, industrial and data centre properties in Hong Kong. If there is an occurrence of a significant external event that has a negative impact on Hong Kong or the logistics, industrial, warehouse and data centre property market, the adverse impact on the investments will be greater than if GHKLF were not limiting its investments.

GHKLF's profitability may be affected by revaluation of its investment properties as required by Hong Kong Financial Reporting Standards.

GHKLF is required to reassess the fair value of its investment properties at every reporting date for which it issues financial statements. The valuations will be based on market prices or alternative valuation methods, such as discounted cash flow analysis based on estimated future cash flows.

In accordance with Hong Kong Accounting Standard 40 "Investment property", GHKLF recognises changes to the fair value of its investment properties as a gain or loss (as applicable) in its income statement. The profits attributable to equity holders of GHKLF may include gains and losses that arise from revaluation of GHKLF's investment properties. The amount of revaluation adjustments have been, and may continue to be, significantly affected by the prevailing property market conditions and may be subject to market fluctuations.

There can be no assurance that GHKLF's gross or net asset values, as calculated based on such valuations and appraisals, will be accurate on any given date, nor can there be any assurance that the sale of any asset would be at a price equivalent to the last estimated or appraised value of such property. Any such decrease in the fair value of GHKLF's investment properties will reduce GHKLF's profits, which in turn may have a material adverse effect on its business, financial condition and results of operations.

GHKLF's business requires substantial capital investment.

The real estate investment and development industry is highly capital intensive. GHKLF may in the future require additional financing to fund its capital expenditure, to support the future growth of its business, including its development projects and certain material obligations such as a potential performance fee payable to Goodman Group at the end of the next GHKLF review period in April 2020, as disclosed in detail in note 24 of GHKLF's audited consolidated financial statements as at and for the year ended 31 March 2019 and the notes thereto included in this Offering Circular.

GHKLF's ability to arrange and obtain external financing and the cost and extent of such financing, is dependent on numerous factors. These factors include general economic and capital market conditions, interest rates, credit availability from banks, other lenders or investors, investor confidence in GHKLF, the capital and investment exposures to GHKLF or to the Hong Kong, the PRC or Asian markets generally, or to the sectors in which GHKLF operates, the success of and prospects for GHKLF's business, provisions of relevant tax and securities laws and political, social and economic conditions in Hong Kong, the PRC and globally.

There can be no assurance that additional debt financing (either on a short-term or a long-term basis) or equity financing, will be made available or, if available, that such financing will be obtained on terms favourable to GHKLF.

Conversely, if these factors cause a decrease in the cost of funding or improvement in the availability of funding for new projects, capital may become more readily available to the market generally, which could increase competition for assets and the cost of carrying out certain activities as a result of increase in demand, such as construction and development, or for materials and labour.

There can be no assurance that GHKLF will maintain its current credit rating and outlook, which may be revised or withdrawn at any time by the rating agencies.

Due to the methodologies applied by the rating agencies to determine credit ratings, any rating assigned to GHKLF may not appropriately reflect GHKLF's credit worthiness, ability to service financial obligations or its gross or net asset values. GHKLF also intends to carry out property development activities which are capital intensive and may take an extended period to generate income returns, which may affect the credit rating assigned to GHKLF, particularly if these property development activities are wholly or partially funded by additional financial indebtedness.

Any downgrade in GHKLP's credit rating or outlook may negatively impact the ability of GHKLF to arrange and obtain external financing and/or the extent and cost of such financing and may affect the price of any Notes.

The illiquidity of property investments could limit GHKLF's ability to respond to adverse changes in the performance of its properties.

As investment properties are in general relatively illiquid, GHKLF's ability to sell them in response to changing economic, financial, social, political and investment conditions is limited. The real estate market is affected by many factors beyond GHKLF's control, such as general economic, financial, social, political and investment conditions availability of financing, interest rates, supply and demand of properties. GHKLF cannot predict whether it will be able to sell any of its investment properties or other assets for the price or on the terms set by it, or whether any price or other terms offered by a prospective purchaser would be acceptable to it. GHKLF also cannot predict the length of time needed to find a purchaser or to close a sale in respect of an investment property or other assets.

In addition, GHKLF may be required to expend funds to maintain properties, correct defects, or make improvements before an investment property or certain other asset can be sold. There is no assurance that GHKLF will have funds available for these purposes. In addition, for construction projects in progress, it may be very difficult to sell such incomplete projects if for some reason GHKLF needed to dispose of a development project prior to its completion. These factors and any other factors that would impede GHKLF's ability to respond to adverse changes in the performance of its investment properties and/or certain other assets could affect its ability to retain customers and to compete with other market participants, as well as negatively affecting its business, financial condition and results of operations.

GHKLF's financial condition and results of operations could be adversely affected by the loss of customers.

GHKLF's turnover principally comprises rental income. As a result, GHKLF's performance depends on its ability to renew leases as they expire, to relet properties where the tenant does not renew its lease, and to lease newly developed properties on economically favourable terms.

Prior to a lease expiring, GHKLF will seek to renew the lease with the existing tenant or source a new tenant for the space. Rents which can be achieved are typically based on prevailing market rates. It is possible to have a concentration of renewal of leases or rent adjustments in a given year, and that a slowdown in the rental market in a given year could adversely affect the rental income of the GHKLF Group. If a significant number of expiring or terminated leases are unable to be either promptly renewed or GHKLF is not able to promptly relet the space covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates or higher lease incentives are required (in order to attract or retain customers), GHKLF's results of operations and cash flows would be adversely affected.

GHKLF may be adversely affected if a significant number of its customers or a major customer is unable to meet their, or its, lease obligations.

At any time, a customer may experience a downturn in its business that may weaken its financial condition. As a result, customers may fail to make rental payments when due, require a restructure of their lease terms or may fail to take up an agreed lease of premises under development upon the completion of that development, any of which may reduce cash flow generated by the GHKLF portfolio of properties.

Changes to local, regional and global economic, social and political conditions may cause companies to downsize and even close their operations in Hong Kong and the demand and rental rates for industrial property and business space may greatly reduce. In the event of a default by a significant number of GHKLF's customers or a default by any of its major customers on all or a significant portion of their leases, GHKLF would suffer decreased rents and incur substantial costs in enforcing its rights as a landlord, which could adversely affect its business, financial condition and results of operations. In particular, GHKLF may need to incur significant time and substantial cost to recover debts and claims against an insolvent tenant in the event of bankruptcy or liquidation, and what can be recovered (if anything at all) may not represent a full recovery of the amount owed to GHKLF. In addition, GHKLF may need to expend significant time and substantial cost to re-enter the premises occupied by a defaulting tenant, and in some cases GHKLF will need to incur additional costs and expenses to restore the condition of the relevant premises where the defaulting tenant has failed to do so as required under its lease.

Competition with other industrial, warehouse, logistics, data centre properties, business space and container terminal businesses in Hong Kong and elsewhere in the region could have an adverse impact on GHKLF's business.

The Hong Kong market for properties in the industrial, warehouse, logistics, data centre, business space and container terminal sectors is very competitive and new competition in the form of other property groups, commercial organisations or new facilities may emerge both generally and in those sectors, including in Hong Kong and in neighbouring and potentially competing areas (such as the southern regions of the PRC or other parts of Asia).

Increased competition in the markets in which GHKLF operates may lead to, among other things:

- an increased supply of industrial, warehouse, logistics, data centre and business space from time to time through over-development, which could lead to downward pressure on rental rates;

- a volatile supply of tenants, occupants and users, which may affect GHKLF's ability to maintain high occupancy levels and rental rates; and

- inflation of prices for existing properties or land for development through competing bids by potential purchasers and developers, which could lead to the inability to acquire properties or development land at satisfactory cost.

Moreover, the performance of GHKLF's investment portfolio depends in part on the levels of consumption, tourism and volumes of trade in, or flowing through Hong Kong that drives the demand for industrial, warehouse, logistics, data centre and business space, as well as volume through the container terminals, and is therefore subject to risks relating to changes in consumer sentiment, economic conditions, employment conditions, inflation levels and other economic factors.

Trade volumes in competing ports in neighbouring regions in the PRC and in other parts of Asia, and factors such as more favourable regulatory taxation and tariff regimes, cheaper terminal costs in the southern regions of the PRC and cost competitiveness of such terminals compared to Hong Kong that might divert trade to such alternative ports, also affect GHKLF's business.

In addition, if GHKLF's competitors sell assets similar to those that GHKLF intends to divest in the same markets and/or at lower prices, GHKLF may not be able to divest its assets on expected terms or at all.

Furthermore, competitors selling similar assets at lower prices than comparable assets held by GHKLF will have an adverse impact on GHKLF's property valuations. Likewise, the existence of such competition for lettable properties may have a material adverse impact on GHKLF's ability to secure customers for its properties at satisfactory rental rates and on a timely basis.

GHKLF may be unable to complete acquisitions and successfully operate acquired properties.

GHKLF intends to continue to pursue acquisitions of property assets in Hong Kong as opportunities arise. Such acquisitions involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of the property assets. While GHKLF's policy is to undertake appropriate due diligence in order to assess these risks, unexpected problems and latent liabilities or contingencies such as existence of hazardous substances, for example asbestos or other environmental liabilities, may still emerge.

Acquisition activities also include the following risks:

- the acquired properties may not achieve anticipated rental rates or occupancy levels;

- assumptions or judgments with respect to improvements to the financial returns (including the occupancy rates and rents of a completed project) of acquired properties may prove inaccurate;

- GHKLF may abandon acquisition opportunities in respect of which it has incurred costs to explore; and

- in relation to GHKLF's interests in properties held through joint venture arrangements, necessary joint venture partner approvals in connection with operations or expansions, if applicable, may not be granted in a timely manner or at all.

GHKLF may also pursue business acquisitions as part of its growth strategy to build a portfolio of investment properties and, as a result, will face the operational and financial risks inherent in such acquisitions, including with respect to the continuity or assimilation of operations or employees, dissipation of management resources and restructuring relationships with employees and customers of the acquired business as a result of changes in ownership and management.

In addition, GHKLF may finance future acquisitions through a combination of borrowings under existing or new credit facilities, equity or debt offerings, proceeds from property sales or retained profits. Additional indebtedness may adversely affect GHKLF's cash flows and financial condition.

Covenants in GHKLF's credit agreements limit GHKLF's flexibility and breaches of these covenants could adversely affect its financial condition.

The terms of GHKLF's various credit arrangements require compliance with a number of restrictive as well as financial covenants, including, among other things, a negative pledge, maintaining interest coverage, total leverage, unsecured leverage and priority debt covenants. These covenants limit flexibility in GHKLF's operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness and the acceleration of repayment of such indebtedness.

Certain of GHKLF's credit agreements also contain cross-default or cross-acceleration provisions that would permit the lenders thereunder to accelerate repayments of indebtedness in the event of a default or acceleration of repayment of other material indebtedness. Any breaches of such covenants could have a material adverse impact on GHKLF's business, financial condition and results of operations.

GHKLF and a joint venture's operating results and financial condition could be adversely affected if they are unable to make required payments on debt, are unable to refinance debt or are unable to raise funds on favourable terms.

GHKLF and a joint venture, Goodman Interlink Limited (which has a standalone financing facility), are subject to risks normally associated with debt financing, including the risk that cash flows will be insufficient to meet required payments of principal and interest. There can be no assurance that GHKLF and Goodman Interlink Limited will be able to refinance any or all of any maturing indebtedness, that such refinancing would be on terms as favourable as the terms of the maturing indebtedness, or that GHKLF or Goodman Interlink Limited will be able to otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

The inability to refinance indebtedness at maturity or meet payment obligations would adversely affect cash flows and the financial condition of GHKLF and may mean that equity financing is required which would rely on the appetite and financial capacity of its shareholders. If equity financing is required this may have a different taxation treatment to debt financing which may result in an adverse impact on GHKLF's business, financial condition and results of operations.

As at the date of this Offering Circular, GHKLF has an investment grade credit rating of BBB+ with stable outlook from Standard & Poor's. There may be no assurance that GHKLF will be able to retain such credit rating in the future, which may result in adverse changes in the financial performance of GHKLF and the cost and ability with which GHKLF can obtain external financing.

As at the date of this Offering Circular, GHKLF has undrawn commitments from certain of its shareholders to subscribe for new shares and contribute additional equity financing to GHKLF. The proceeds for this equity financing are intended for developing Goodman Westlink, the first building at the Goodman Tsuen Wan West development, funding a portion of the potential performance fee payable to the Investment Manager in 2020 and for other working capital purposes. There is a risk that the shareholders of GHKLF that have made capital commitments may not comply with their obligations to subscribe for new shares when the capital call is made, which would mean that GHKLF would need to find alternative sources of funding.

GHKLF is exposed to risks associated with derivative instruments.

GHKLF makes use of various vanilla derivative instruments, such as swaps, options and forward contracts, as financial risk mitigation instruments. For example, derivative instruments have been taken out in connection with certain interest rate and currency risks to which GHKLF is exposed, including the interest rate risks under its financing arrangements as well as currency risks given that the Notes are denominated in United States dollars.

The use of derivative instruments involves a variety of material risks. These risks include the extremely high degree of leverage which can be embedded in such instruments, a risk which can be materially increased by limited liquidity which often characterises derivatives markets. As a result, prices of these instruments are highly volatile and could have a material impact on GHKLF's returns. In taking out these instruments, GHKLF is also exposed to counterparty risk in connection with these derivative instruments, and relies on counterparties to comply with their obligations in all circumstances, including where markets have deteriorated or where derivative instruments are deeply out of the money.

GHKLF's liquidity and financial position may be adversely affected as a result of its liquidity review process.

GHKLF is an unlisted investment fund which does not have a termination date and does not have any automatic rights of redemption for any of its equity owners. In connection with its seven-yearly liquidity reviews, GHKLF's equity owners may elect to require GFM Hong Kong Limited, as the investment manager (the "**Investment Manager**") to devise and implement strategies to obtain liquidity for their investments in GHKLF.

The next liquidity review is scheduled for April 2020. The outcome of the liquidity review could adversely affect GHKLF's cash flows and financial position including in relation to the asset base of GHKLF if assets are required to be sold in order to provide liquidity to the equity owners of GHKLF.

Some of GHKLF's properties and CT3 are owned through joint ventures, or may not be 100 per cent. owned by GHKLF with minority interests held by third parties.

GHKLF holds less than 100 per cent. of a number of properties. The deeds of mutual covenant or joint venture agreements that govern some of GHKLF's properties provide that certain matters are to be decided by majority or other voting threshold, regardless of the relative size of the various owners. Accordingly, if a sufficiently large percentage of the remaining ownership interests were to vote together, GHKLF may not have the ability to control certain decisions relating to those properties and the common areas in those buildings.

Co-operation and agreement among GHKLF, its joint venture partners or co-owners on its existing or any future properties is an important factor for the smooth operation and financial success of such projects. In fact, certain corporate actions of these joint ventures require approval of all partners or co-owners. Such ventures may involve special risks associated with the possibility that GHKLF's joint venture partners or co-owners may:

- have economic or business interests or goals that are inconsistent with those of GHKLF;
- take action contrary to the instructions or requests of GHKLF or contrary to GHKLF's policies or objectives with respect to its investments;
- be unable or unwilling to fulfil their obligations, for example under joint venture agreements; or
- experience financial or other difficulties.

Although GHKLF has not experienced any significant problems with respect to its joint venture partners or co-owners to date which could not be resolved, should such problems occur in the future, they could have a material adverse effect on the success of the relevant projects or properties.

In addition, a disposal of GHKLF's interests in joint ventures or other properties may be subject to certain pre-emptive rights on the part of the other joint venture partners or co-owners or subject to certain restrictions. As a result, a disposal of GHKLF's interests in its joint ventures or certain properties may require a longer time to complete (if such disposals can be completed at all) than a disposal of a wholly owned asset.

GHKLF is subject to risks relating to events, accidents or other incidents which may not be covered by insurance.

GHKLF maintains insurance coverage in respect of all of its properties and CT3 in accordance with what it believes to be industry standards. However, insurance policies generally do not cover certain types of losses, such as those that may result from war, civil disorder, acts of terrorism, various catastrophic events, other exclusions and/or GHKLF's business interruption risks under certain circumstances, and the claim amounts under insurance policies are subject to limits and excess or deductible amounts, which may not cover the total amount of any loss or liability incurred. In some cases, insurance may not be available in the market or may not be available on a financially reasonably basis.

The renewal of insurance will be dependent on a number of factors, such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. GHKLF undertakes a review of the continued adequacy of its insurance programme on an annual basis. However, if a significant uninsured loss occurs, GHKLF could lose both the invested capital in, and anticipated profits from, the affected property. GHKLF is also exposed to risks associated with the financial strength of its insurers and their ability to meet their indemnity obligations in the event claims are made.

Furthermore, whilst every care is taken by GHKLF in the selection and supervision of its independent contractors, negligence, accidents or other incidents, such as theft, may occur from time to time. These incidents may expose GHKLF to liability or other claims by its customers and other third parties. Although GHKLF believes that it has adequate insurance and contractual arrangements in place to cover such eventualities, it is possible that accidents or incidents could occur which are not covered by these arrangements. Any substantial losses arising from the occurrence of any such accidents or incidents which are not covered by insurance could adversely affect the business, financial condition or results of operations of GHKLF.

GHKLF's business and its properties are subject to various laws and regulations, policy requirements of the government of Hong Kong and the land leases under which the land was granted.

The operations of GHKLF are subject to various laws and regulations. GHKLF's activities on its properties, including construction and development activities and the operations of the container terminal are limited by planning ordinances, the terms of the relevant government land leases, permits, consents, approvals, licences and other regulations enacted by the authorities in Hong Kong.

Before commencing certain activities, these permits, consents, approvals or licences (collectively, "**Licences**") may need to be obtained, and some are subject to renewal from time to time. There is a risk that some of such Licences may take longer to obtain than others, or may not be granted at all or on commercially reasonable terms, and in some cases there is a risk of not being renewed from time to time. In each such case, GHKLF's present or future business activities may be curtailed. If GHKLF experiences delays in obtaining, or is unable to obtain, such required Licences, there may be a material adverse impact on its business, financial condition or results of operations. Complying with such Licences may lead to GHKLF incurring additional expenses which will in turn affect GHKLF's financial performance as its business costs will increase.

From time to time, the authorities in Hong Kong may impose new regulations on landlords or developers relating to environmental protection, planning, use of buildings, traffic and health and safety, such as mandatory retrofitting of upgraded safety and fire systems in all buildings. GHKLF's properties are also subject to routine inspections by the authorities in Hong Kong with regard to various safety and environmental issues and must comply with building planning requirements or land lease obligations. Given that third parties, such as tenants, use and occupy the properties and the container terminal, there is a risk that these third parties could cause non-compliance issues in respect of the use of the properties and the container terminal.

GHKLF's properties in Hong Kong are subject to land leases granted by the government of Hong Kong. These land leases contain terms and conditions which govern rights and obligations in respect of the properties including as to permitted use. Any breaches of these terms and conditions may entitle the government of Hong Kong to take action against the lessee, including termination of the lease and retaking of the land and buildings. In the case of the ATL building (which is the subject of an air rights lease over the Container Terminal 3 land), a breach of either the ATL air rights lease or the Container Terminal 3 lease (and the government consents and undertakings in connection with those arrangements) could lead to actions taken by the government of Hong Kong in respect of either the ATL building, ATL air rights lease or the Container Terminal 3 land lease.

The risks in connection with land lease compliance is exacerbated given that the properties are subject to leases with customers, or may be managed by joint venture partners (for example, in the case of Container Terminal 3 and DP World Limited), which means that GHKLF does not control usage or the properties in all instances, and may be limited to its contractual rights with and against those third parties.

Land leases in Hong Kong are not perpetual and for all but one of the properties in the portfolio, will expire in 2047 (with the Goodman Westlink land lease expiring on 7 June 2068). Although land leases have been renewed by the government of Hong Kong in the past, there is no guarantee that any land lease will be renewed in 2047 or on expiry, and so the land and buildings could revert to the government of Hong Kong at that time. In addition, in certain circumstances, the government of Hong Kong has the power to acquire compulsorily any land in Hong Kong and compensation from such compulsory acquisition may be less than market value or purchase price.

GHKLF is subject to extensive health and safety and environmental regulations, which could impose significant costs or liabilities on it.

As an owner and a lessor of real property and an owner of a container terminal, GHKLF is subject to various laws and regulations concerning the protection of health and safety and the environment. The particular environmental laws and regulations which apply to any given project site vary greatly according to the site's location, environmental condition, the present and former uses of the site and the presence of any adjoining properties. Environmental laws and conditions may adversely affect GHKLF's operations and developments and may cause GHKLF to incur compliance and other costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

GHKLF generally conducts environmental, technical and physical reviews of assets that it acquires, although in some cases, such as the lease of land from the government of Hong Kong or a statutory authority, it is not possible to conduct due diligence prior to entering into any such lease. In addition, whatever reviews can be undertaken may fail to identify all problems. Based on these reviews and past experience, GHKLF is not aware of any materially adverse claims or other liabilities that would require material expenditure or which may pose material actual or contingent risks or liabilities. However, GHKLF could become subject to such claims, expenditures, risks or liabilities in the future.

The availability of suitable land for investment as well as measures adopted from time to time by the government of Hong Kong which affect the real estate market could slow down the industry's rate of growth or cause the real estate market to decline.

GHKLF's business and results from operations from time to time may be dependent, in part, on the availability of land and properties suitable for development or investment. The limited supply of, and competition for, land in Hong Kong has, in the past, made it increasingly difficult to locate suitable property to acquire at reasonable prices for development.

From time to time, the Hong Kong Monetary Authority or other relevant authorities may implement regulatory measures to mitigate risks in lending in the property sector. This has included prudential measures to reduce the maximum loan to value ratio for mortgages and issuing guidelines to banks to tighten the approval criteria and tenor for property mortgage loan applicants.

In addition, the government of Hong Kong has, and may introduce further, cooling measures on the Hong Kong property market from time to time, which may have an impact on the supply and demand in the property market. As the introduction of these measures are subject to policy changes reflecting domestic political or economic circumstances, there is no assurance that the government of Hong Kong will not introduce further measures in the future that may have an impact on the property market in Hong Kong generally, which may limit GHKLF's access to capital resources, reduce market demand and/or slow down the development of the industry, which may in turn affect the business, financial condition or results of operations of GHKLF.

GHKLF relies on service providers and other Goodman Group entities for the provision of essential services.

GHKLF engages third-party service providers and other Goodman Group entities in connection with its business and operations. There is no assurance that the services rendered by any service providers or any Goodman Group entity engaged by GHKLF will always be satisfactory or match the level of quality expected by GHKLF or required by the relevant contractual arrangements, or that such contractual relationships will not be breached or terminated.

For example, GHKLF relies on a Goodman Group subsidiary to provide essential management services such as preparing and implementing business plans and investment proposals in respect of the properties for GHKLF. Another Goodman Group subsidiary provides property management services including leasing services, managing relationships with customers and maintenance (including through the engagement of third party service providers). Yet another Goodman Group subsidiary provides development and project management services in respect of GHKLF's properties undergoing development. There can be no assurance that GHKLF's service providers will always perform in accordance with their contractual obligations, or that such providers will continue their contractual relationships with GHKLF under commercially reasonable terms, if at all. In such cases, GHKLF may be unable to source adequate replacement services in a timely or cost efficient manner.

There is also a risk that GHKLF's service providers may experience financial or other difficulties which may affect their ability to discharge their obligations, thus delaying the completion of their work in connection with GHKLF's ordinary business or development projects and may result in additional costs for GHKLF. The timely performance of these service providers may also be affected by natural and human factors such as natural disasters, calamities, social or political unrest, outbreak of wars and strikes which are beyond the control of GHKLF. Moreover, such service providers, including the Goodman Group subsidiaries, depend on the services of experienced key senior management and it would be difficult to find and integrate replacement personnel in a timely manner or at all if the Goodman Group lost their services. Any of these factors could adversely affect the business, financial condition or results of operations of GHKLF.

GHKLF may be exposed to operational and other external risks that could negatively impact its business and results of operations.

GHKLF's information technology systems and those of its services providers are vulnerable to disruption from various sources, including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber security attacks, such as computer viruses or unauthorised access to the various systems. Although security measures and disaster recovery plans for internal information technology systems have been implemented, there can be no assurance that these measures will be sufficient to prevent the disruption of or unauthorised access to systems in all cases. Any system failure or accident that interrupts operations could result in a material disruption to business and lead to additional costs.

GHKLF faces a risk of loss resulting from, among other factors, inadequate or flawed internal control processes or systems, theft and fraud. Operational risk of this kind can occur in many forms including, among others, errors, business interruptions, inappropriate behaviour of, or misconduct by, employees of GHKLF or those contracted to perform services for GHKLF, and third parties that do not perform in accordance with their contractual agreements or breach of their professional duties or duties of care and diligence. Despite the fact that policies and control procedures are being put in place and relevant requirements are being included in service agreements, GHKLF cannot assure if all the above mentioned risks could be entirely eliminated. These events could result in financial losses or other damage to GHKLF.

There are fixed costs associated with GHKLF's assets, which could adversely affect the financial performance and the value of an asset if the income from that asset declines and other related expenses remain unchanged.

Costs associated with GHKLF's ownership and management of properties and a container terminal are often fixed in nature. Fixed expenditure such as maintenance costs, rates and statutory costs are generally not reduced when circumstances cause a reduction in income from the investment. As a result, GHKLF has only limited opportunity to manage these costs to mitigate falls in profitability when its income falls.

The property development industry is dependent on the attainment of various permits, certificates and approvals and is subject to various risks.

GHKLF engages in property development and construction activities from time to time which require it to obtain various permits, certificates, land lease modifications or waivers, relevant approvals from the relevant administrative authorities at various stages of development. Such permits, certificates, modifications, waivers or approvals may be dependent on the government policies (which may change from time to time), the satisfactory compliance with certain requirements or conditions, or the views of government officials in exercising their authority, discretion and interpreting government policy. There can be no assurance that GHKLF will be able to obtain such permits, certificates, modifications, waivers or approvals, either on time, at all, or in line with any assumptions which have been made and which form part of any feasibility undertaken when determining to proceed with any development activity. Furthermore, GHKLF also faces planning and design approval risks due to potential policy amendments that may occur to existing planning, zoning and building ordinances. Such amendments may require administrative modifications to support the proposed land use or alterations to the design. The commencement and completion of development is also dependent upon acceptance by the relevant authorities that the building will be designed and ultimately completed to their satisfaction. The authorities do not work to curtailed timeframes, therefore such approvals may be delayed or not forthcoming (or may alter the development that was intended), which may result in the delay or failure in completing the developed property.

Real estate construction and development projects have certain risks. In particular, construction and development projects under government leases and grants in Hong Kong may be subject to tight time frames. If GHKLF fails to complete construction and development within the provided time frame, it will be in breach of the land lease and there is a risk that the government of Hong Kong may penalise GHKLF, or even seek to enforce the leases and reclaim the property. In addition, construction costs of a project may exceed original estimates and feasibilities as the construction market in Hong Kong experiences significant fluctuations to material and labour costs and any forecasting of the development construction costs is subject to uncontrolled and significant price movements. Moreover, existing site and ground conditions are critical to future development and GHKLF may encounter risks associated with unsuitable topographical and ground quality, such as unknown soil contamination and inadequate infrastructure including power and utilities that may affect the suitability of the development site for its intended uses and GHKLF may need to expend substantial costs and significant time to cure such flaws in the project site before starting the development and construction of the projects. Moreover, it may be difficult to find customers for development projects and rental proceeds could be less than projected.

GHKLF may not be able to secure financing on favourable terms for development of a property or may not be able to secure refinancing. GHKLF may face delays or an inability to obtain necessary zoning. Land use, building, occupancy and other required governmental permits and authorisations may also affect a project, and existing and future planning guidelines may further affect the use, design and size of a project. Furthermore, the health, safety and environmental risks are significantly increased with construction works at a height, such as with multi-storey developments.

GHKLF owns certain properties which are used as data centres and GHKLF is involved in the development of buildings for data centre and information technology usage, which require large amounts of power which may not be made available.

There are a number of additional development risks in connection with data centres, including the need for very high power capacity (including power redundancy capability) to support operations in the data centre over the long term. The provision of high power capacity requires the cooperation of the power utility company in Hong Kong, which is a licensed and monopolised market, to provide the necessary infrastructure and power the data centre in time for customer operations to commence. GHKLF has no control over the activities of the power utilities and so is subject to the risk that sufficient power may not be available (at all, or on a timely basis) to ensure that the data centre is fit for purpose after construction has been completed.

When data centres become operational, they are typically equipped with racking, servers, storage devices and other networking equipment. Technological advances have seen the size of this equipment diminish substantially over the course of time, with speed, power and capability increasing considerably over time. If these technological advances continue, this may mean diminished demand for the space required to house data centres, and so reduce the demand for data centre properties in the long run, which in turn would have an adverse effect on the value of GHKLF's data centre properties and financial performance.

Regulatory issues and changes in laws could adversely affect the income and ability of GHKLF to operate in the same way or to take advantage of business opportunities.

GHKLF is subject to the usual business risk that there may be changes in laws that reduce income or increase costs. Complying, or failing to comply, with existing or new regulations in areas such as financial services, securities and accounting disclosure, real estate (including building and construction compliance), competition, employment, environmental and health and safety, pensions, taxation and banking could result in fines being imposed on us or in additional costs for, or financing or sales restrictions on, GHKLF. In addition to monetary concerns, any breach of legislative requirements may result in reputational damage which could adversely affect GHKLF's results of operations.

GHKLF's ability to take advantage of business opportunities (including acquisitions, developments and raising capital) may be limited by regulatory issues or regulatory intervention based on competition grounds or for other regulatory reasons.

Occupational health and safety regulations could impose significant costs on GHKLF.

GHKLF, in its capacity as owner of investment properties and a container terminal and together with other Goodman Group affiliates providing development or property management services to GHKLF, has obligations under the various occupational health and safety regulations in Hong Kong.

While appropriate risk management policies and procedures are in place at all of GHKLF's assets, an adverse event such as an injury, death or permanent disability of an employee or contractor could have an adverse impact on the results of operations of GHKLF as a result of monetary penalties imposed, litigation costs and damages and/or the reputational damage associated with such an event.

The Issuer's and Guarantors' ability to perform their obligations under the Notes could be adversely affected by currency exchange rate fluctuations.

Under the Programme, Notes may be denominated in a variety of currencies. However, GHKLF's revenues are denominated principally in Hong Kong dollars. Issuances of Notes in currencies other than Hong Kong dollars (or United States dollars, to which Hong Kong dollars are pegged) will give rise to exchange rate risk, and adverse fluctuations in exchange rates could impair the Issuer's and the Guarantors' ability to pay any amounts due in respect of such Notes.

The Hong Kong dollar is currently subject to a linked exchange rate system where the Hong Kong dollar is pegged to the United States dollar at a fixed rate. This system which secures a steady exchange rate has been in place since 1983. This arrangement may be subject to change at any time which may have a material impact on the economy of Hong Kong, and in turn, GHKLF's business, financial condition or results of operations.

The Issuer may be subject to the Alternative Investment Fund Managers Directive.

In accordance with the terms of this Offering Circular, the Issuer will use the proceeds of the Notes for GHKLF's general corporate purposes. Under the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "**AIFMD**") and the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 and relevant guidance issued by the European Securities and Markets Authority, the marketing of an alternative investment fund (an "**AIF**") in an EU jurisdiction is prohibited unless certain criteria are met. While the Issuer does not currently consider itself or any individual note issuance to be an AIF, there is a risk that due to the Issuer's use of the proceeds of the note issuances for GHKLF's general corporate purposes, a Note issuance or the Issuer could be characterised as an AIF. Should either a Note issuance or the Issuer be characterised as an AIF, any Note issuances could only be marketed in the EU in accordance with the marketing restrictions applicable to AIFs and any marketing not in accordance with those rules may be a breach of regulatory requirements. Characterisation of any Note issuance or the Issuer as an AIF may therefore affect the liquidity of the Notes. It may also affect the regulatory treatment of the Notes for certain types of investor.

Risks relating to the 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:

(i) 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 supplemental offering circular or any pricing supplement;

(ii) 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;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the 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 currency in which such investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) 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 may be complex financial products and such products may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial products unless it has the expertise (either alone or with the assistance 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.

Additionally, 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) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions of the Notes are governed by English law in effect as at the date of issue of the relevant Notes. 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 issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Note Certificates and holders of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Notes Certificates. Such Global Notes or Global Notes Certificates will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream). Except in the circumstances described in the relevant Global Note or Global Note.

Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Note Certificates. While the Notes are represented by one or more Global Notes or Global Note Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Note Certificates, the Issuer, or failing which, the Guarantors will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. None of the Issuer or the Guarantors has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and Global Note Certificates.

Holders of beneficial interests in the Global Notes and Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Note Certificates will not have a direct right under the respective Global Notes or Global Note Certificates to take enforcement action against the Issuer or the Guarantors in the event of a default under the relevant Notes but will have to rely upon their rights under the relevant Trust Deed.

Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The liquidity and price of the Notes following each offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's and the Guarantors' revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There is no assurance that these developments will not occur in the future.

Modification and waivers are binding on all Noteholders and Securityholders.

The Conditions 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. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual holders of the Notes. The Conditions also provide that the Trustee may, without the consent of Noteholders, (i) agree to any modification of the Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error; and (ii) authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

If the Issuer or the Guarantors are unable to comply with the restrictions and covenants contained in its debt agreements, including the Notes, an event of default could occur under the terms of such agreements, which could cause repayment of such debt to be accelerated.

If the Issuer or the Guarantors are unable to comply with their current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer or the Guarantors, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, whichever the case may be. Furthermore, some of the Issuer's or the Guarantors' debt agreements may contain cross-acceleration or cross-default provisions. As a result, the Issuer's or the Guarantors' default under one debt agreement may cause the acceleration of debt, including the Notes, or result in a default under other debt agreements of the Issuer or the Guarantors. If any of these events occur, there can be no assurance that the Issuer's or the Guarantors' assets and cashflow will be sufficient to repay in full all of its indebtedness, or that the Issuer or the Guarantors will be able to find alternative financing. Even if the Issuer or the Guarantors can obtain alternative financing, there can be no assurance that such financing would be on terms that are favourable or acceptable to the Issuer or the Guarantors.

The Issuer may issue additional Notes in the future.

The Issuer may, from time to time, and without prior consultation of the holders of the Notes create and issue further Notes (See "*Terms and Conditions of the Notes – Further Issues*") or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the 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 may have lower market value than Notes that cannot be redeemed.

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or the Guarantors would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem the Notes, the market value of such 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.

Dual Currency Notes have features which are different from single currency issues.

The Issuer may issue Notes with principal or interest determined by reference to a formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). 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; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) 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

(vii) 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.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.

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.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

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 more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate ("**LIBOR**"). The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Certain benchmark rates may be discontinued or reformed in the future – including the potential phasing-out of LIBOR after 2021.

The LIBOR, the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**") on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities and may have the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in the Conditions)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "*Terms and Conditions of the Notes*" provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if a published benchmark, such as LIBOR, and/or any page on which such benchmark may be published (or any successor service)) becomes unavailable, or if the Issuer, the Guarantors, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Pricing Supplement) are no longer permitted lawfully to calculate interest on any Notes by reference to benchmark under the Benchmarks Regulation. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions) and that such Successor Rate or Alternative Rate may be adjusted (if required) by applying an Adjustment Spread (as defined in the Conditions) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply.

In certain circumstances the ultimate fallback of interest for a particular Interest Period (as defined in the Conditions) may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Conditions). In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser (as defined in the Conditions) and the potential for further regulatory developments, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation or any of the international or national reforms and the possible application of the fallback provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such 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, the spread on the Fixed/Floating Rate Notes may be less favourable to investors than the 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, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount or premium to their nominal 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.

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:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer or the Guarantors. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Programme to be admitted to listing on the Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

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

The credit ratings assigned to the Notes 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.

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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

FORM OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary ("**Common Depositary**") for Euroclear or Clearstream and/or any other relevant clearing system.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being a "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Pricing Supplement.

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement in relation to the Programme each as defined in the "*Terms and Conditions of the Notes*" and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions relating to the Notes while in Global Form*" below.

Summary of Provisions relating to the Notes while in Global Form

Notices

While the Notes are represented by a Global Note and such Global Note is deposited with a common depositary for Euroclear or Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 21 (*Notices*) on the date of delivery to Euroclear or Clearstream.

Payment Record Date

Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" means any week day (Monday to Friday inclusive) within any given calendar year, except 25 December and 1 January.

Transfer of Interests

Interests in a Global Registered Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Registered Note. No beneficial owner of an interest in a Global Registered Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note (as defined under "*Terms and Conditions of the Notes*") held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream 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, the Guarantors and their 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 Global Registered Note shall be treated by the Issuer, the Guarantors and their 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.

Any reference herein to Euroclear and/or Clearstream 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 or otherwise approved by the Issuer, the Guarantors, the Trustee and the Registrar.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 14 (*Events of Default*). 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 holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream.

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.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, "**Professional Investors**") only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

The Stock Exchange of Hong Kong Limited (the "SEHK") has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer and the Guarantors or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

[This Pricing Supplement includes particulars given in compliance with the Rules Governing the Listing of Securities on the SEHK for the purpose of giving information with regard to the Issuer and the Guarantors and the Notes. Each of the Issuer and the Guarantors accepts full responsibility for the accuracy of the information contained in this Pricing Supplement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.][1]

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][2]

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.][3]

1 To be included if the Notes are listed on the SEHK.

2 Legend for issuance involving one or more MiFID Firm manufacturers.

3 Legend for issuance where there is a sole manager that is a MiFID Firm manufacturer (i.e. no syndicate) and assuming that none of the Issuer or the Guarantor, as the case may be, is a MiFIDregulated entity.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II[; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[**Notification under Section 309B(1)(c) of the [Securities and Futures Act (Chapter 289) of Singapore (the "SFA")]/[SFA]** – [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]".][4]

Pricing Supplement dated [*Date*]

GOODMAN HK FINANCE

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

unconditionally and irrevocably guaranteed on a joint and several basis by

GOODMAN HONG KONG LOGISTICS FUND

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

and

GOODMAN HK INVESTMENTS

(an exempted company incorporated with limited liability under the laws of the Cayman Islands)

under the U.S.$2,000,000,000
Euro Medium Term Note Programme

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 [*date*] [and the supplemental offering circular dated [*date*]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular [as so supplemented].

[*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.*

4 Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplemental offering circular dated [*date*]], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[*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 subparagraphs. 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:	Goodman HK Finance
	•	Guarantors:	Goodman Hong Kong Logistics Fund Goodman HK Investments
2.	•	Series Number:	[●]
	•	Tranche Number:	[●]
	•	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [25] below [which is expected to occur on or about [●]].] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	•	Series:	[●]
	•	Tranche:	[●]
5.	•	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	•	Net proceeds:	[●] (*Required only for listed issues*)
6.	•	Specified Denomination(s): *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[●] (*N.B. Notes must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities and in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospective Directive in that Member State.)* (*N.B. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].*")

		(*N.B. Where multiple denominations above [U.S.$200,000] or equivalent are being used with respect to Bearer Notes the following sample wording should be followed:* *"[U.S.$200,000] and integral multiples of [U.S.$1,000] in excess thereof up to and including [U.S.$399,000]. No Notes in definitive form will be issued with a denomination above [U.S.$399,000].*") (*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the [U.S.$200,000]/[€100,000] minimum denomination is not required.)*
	• Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination.* *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.*)
7.	• Issue Date:	[●]
	• Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*NB. An* Interest *Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:	[*Fixed rate – specify date/Floating rate –* Interest Payment Date falling in or nearest to [*specify month*]][5]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/HIBOR] +/-[●] per cent. Floating Rate] [Zero Coupon] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	(*If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*)
12.	Put/Call Options:	[Investor Put] [Issuer Call] [Make Whole Redemption] [(further particulars specified below)]

5 Note that for 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.

13.	• Status of the Notes:	Senior
	• Status of the Guarantee of the Notes:	Senior
	• [Date [Board] approval for issuance of Notes [and Guarantee of the Notes] obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes [or related Guarantee of the Notes]*)
14.	Listing:	[The Stock Exchange of Hong Kong Limited/specify *other/*None][6]
15.	Method of distribution:	[Syndicated/Non-syndicated]
16.	Ratings:	[*Guarantor/Notes ratings if applicable*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	• Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]
	• Interest Payment Date(s):	[[●] in each year up to and including the Maturity *Date*]/[*specify other*] (*N.B. This will need to be amended in the case of long or short coupons*)
	• Fixed Coupon Amount(s): *(Applicable to Notes in definitive form.)*	[●] per Calculation Amount[7]
	• Broken Amount(s): *(Applicable to Notes in definitive form.)*	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount)*
	• Day Count Fraction:	[Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)] [*Other*]
	• Determination Date(s):	[●] in each year (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon) *(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)* *(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)) [Actual/Actual (ICMA)]*

6 If Listing in Hong Kong, specify expected listing date.

7 Note that for certain Hong Kong dollar denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which even the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and current deposits) in Hong Kong and [●]."

	• Other terms relating to the method of calculating interest for Fixed Rate Notes:	[*None/give details*]
18.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	• Specified Period(s)/Specified Interest Payment Dates:	[●]
	• First Interest Payment Date:	[●]
	• Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	• Additional Business Centre(s):	[●]
	• Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	• Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
	• Screen Rate Determination:	
	• Reference Rate and Relevant Financial Centre:	Reference Rate: [●] (*Either LIBOR, EURIBOR, HIBOR or other, although additional information is required if other* – including fallback provisions in the Agency Agreement) Relevant Financial Centre: [London/Brussels/*specify other Relevant Financial Centre*]
	• Interest Determination Date(s):	[●] (*Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), first day of each Interest Period if Sterling or Hong Kong dollar LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	• Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

	• ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●] *(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)* *(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
	• Margin(s):	[+/-] [●] per cent. per annum
	• Minimum Rate of Interest:	[●] per cent. per annum
	• Maximum Rate of Interest:	[●] per cent. per annum
	• Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] *(See Condition 2 (Interpretation) for alternatives)*
	• Fallback 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:	[●]
19.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	• Accrual Yield:	[●] per cent. per annum
	• Reference Price:	[●]
	• Any other formula/basis of determining amount payable:	[●]
	• Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365] [*specify other*]
20.	**Dual Currency Interest Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

	• Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	• Calculation Agent, if any, responsible for calculating the principal and/or interest payable:	[●]
	• Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	• Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	**Issuer Call:**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	• Optional Redemption Date(s):	[●]
	• Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	• If redeemable in part:	
	(i) Minimum Redemption Amount:	[●] per Calculation Amount
	(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	• Notice period (if other than as set out in the Conditions):	Minimum period: [●] days Maximum period: [●] days *(N.B. 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.	**Investor Put:**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	• Optional Redemption Date(s):	[●]
	• Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	• Notice period (if other than as set out in the Conditions):	Minimum period: [●] days Maximum period: [●] days *(N.B. 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)*
23.	Final Redemption Amount of each Note:	[[●] per Calculation Amount/specify other/see Appendix]

24. **Early Redemption Amount:**

(i) Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[*Principal Amount/specify the Early Redemption Amount (Tax) if different*]
(ii) Early Redemption Amount (Triggering Event) per Calculation Amount payable on redemption for triggering event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[*Principal Amount/specify the Early Redemption Amount (Triggering Event) if different*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Bearer Note exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] *(N.B. Ensure that this is consistent with the language in the "Form of the Notes" section in the Offering Circular and the Notes themselves. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of Notes in paragraph 6 includes language substantially to the following effect: [U.S.$200,000] and integral multiples of [U.S.$1,000] in excess thereof up to and including [U.S.$399,000].)*
26. Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which the 4th bullet point of paragraph 18 relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details.*]

28.	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. N.B. a new form of Global note may be required for Partly Paid issues*]
29.	Details relating to Instalment Notes:	
	• Instalment Amount(s):	[Not Applicable/*give details*]
	• Instalment Date(s):	[Not Applicable/*give details*]
30.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

31.	• If syndicated, names of Managers:	[Not Applicable/*give names*]
	• Stabilisation Manager(s) (if any):	[Not Applicable/*give names(s)*]
32.	If non-syndicated, name of Dealer:	[Not Applicable/*give names*]
33.	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
34.	Additional selling restrictions:	[Not Applicable/*give details*][8]

OPERATIONAL INFORMATION

35.	ISIN Code:	[●]
36.	Common Code:	[●]
37.	Legal Entity Identifier:	213800SL4LTTO1S5AU13
38.	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
39.	Delivery:	Delivery [against/free of] payment
40.	Names and addresses of additional Paying Agent(s) (if any):	[●]

8 If the Notes will be marketed in any member state of the EEA (other than the United Kingdom, Luxembourg or the Netherlands), a careful consideration should be given in relation to AIFMD.

[**USE OF PROCEEDS**

[●] (*See "Use of Proceeds" wording in the Offering Circular. If the use of proceeds are different those reasons stated, include those reasons here.*)]

[**STABILISATION**

In connection with this issue, [insert name of Stabilisation Manager] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) 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, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, and must be brought to an end after a limited period.]

[**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue and admission to trading on The Stock Exchange of Hong Kong Limited (the "**SEHK**") of the Notes described herein pursuant to the U.S.$2,000,000,000 Euro Medium Term Note Programme of Goodman HK Finance.]

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Goodman HK Finance:

By: ______________________
Duly authorised

Signed on behalf of Goodman Hong Kong Logistics Fund:

By: ______________________
Duly authorised

Signed on behalf of Goodman HK Investments:

By: ______________________
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

(a) *Programme*: Goodman HK Finance (the "**Issuer**") has established a Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$2,000,000,000 in aggregate principal amount of notes (the "**Notes**") unconditionally and irrevocably, jointly and severally guaranteed by Goodman Hong Kong Logistics Fund (the "**Fund**") and Goodman HK Investments ("**GHKI**" and, together with the Fund, the "**Guarantors**" and each a "**Guarantor**").

(b) *Pricing Supplement*: Notes issued under the Programme are issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) *Trust Deed*: The Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 18 December 2019 (as further amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Guarantors and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

(d) *Agency Agreement*: The Notes are the subject of an amended and restated issue and paying agency agreement dated 18 December 2019 (as further amended and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantors, The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(e) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and Agency Agreement applicable to them. Copies of the Trust Deed and Agency Agreement are available for inspection by Noteholders during normal business hours (being 9.00 a.m. to 3.00 p.m.) at the Specified Office of the Principal Paying Agent.

2. Interpretation

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accounting Principles**" means Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time;

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Authorised Officer**" means, with respect to the Issuer or either Guarantor, any director or officer who is authorised to represent the Issuer or, as the case may, the relevant Guarantor;

"**Business Day**" other than in Condition 3(g) (*Registration and delivery of Note Certificates*) and Condition 10(g) (*Redemption at the option of the Issuer (Make Whole Redemption)*), means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(c) for the purposes of Notes denominated in Renminbi only, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(iii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(vi) if "**30/360**" is so specified, the number of days in the Calculation 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:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation 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:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(viii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation 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:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation 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 D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**EBITDA**" means, in respect of each period of 12 months ending on the last day of the Fund's financial year and each period of six months ending on the last day of the first half of the Fund's financial year (each a "**Relevant Period**"), the consolidated profit or loss after taxation of the Fund for that Relevant Period as shown in its latest audited or unaudited consolidated profit and loss account:

(a) plus, to the extent deducted in arriving at such profit or loss after taxation, any interest and amounts in the nature of interest or of similar effect to interest paid or payable by any member of the Fund Group and capitalised interest;

(b) plus, to the extent deducted in arriving at such profit or loss after taxation, any taxation expense;

(c) plus, to the extent deducted in arriving at such profit or loss after taxation, any depreciation and amortisation;

(d) plus, to the extent deducted in arriving at such profit or loss after taxation, any impairment losses;

(e) plus, to the extent deducted in arriving at such profit or loss after taxation and in respect of the Relevant Period, any items that are exceptional, one off, non-recurring or extraordinary items and that are referenced as such in the relevant financial statements of the Fund for that Relevant Period and determined by the Fund in good faith;

(f) after excluding (without duplication) unrealised gains and losses from asset revaluations and realised gains and losses from asset disposal for such period;

(g) after excluding (without duplication) the Fund's share of losses from the mark to market of derivative financial instruments and all the non-cash adjustments in each case for such period;

(h) after excluding (without duplication) gains and losses from derivative financial instruments closed out during such period;

(i) in respect of any earnings of any members of the Fund Group that is not a member of the Group included in arriving at such profit or loss after taxation, after excluding that part of such earnings attributable to any third party minority holder's interest in that member of the Fund Group;

(j) after excluding (without duplication) gains and losses arising from mark-to-market translation of non-Hong Kong dollar Financial Indebtedness that is the subject of a currency hedge or derivative agreement that hedges foreign currency Financial Indebtedness against movements in any relevant foreign currency; and

(k) plus or minus any profit or losses which are of the nature of (a) to (j) above in relation to any non-consolidated entities,

in each case to the extent added, deducted or taken into account, as the case may be, for the purposes of determining the consolidated profit and loss after taxation of the Fund with respect to that Relevant Period, and calculated in accordance with the Accounting Principles;

"**Early Redemption Amount (Triggering Event)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;

(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(h) consideration for the acquisition of assets or services payable more than 120 days after completion of that acquisition;

(i) any obligation in respect of a derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value shall be taken into account);

(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above,

provided that, except as specifically included above, Financial Indebtedness shall not include those items ("**Relevant Items**"), if any, which are accounted as equity under the Accounting Principles in effect as of date of issue of the first Tranche of the Notes and are subsequently re-characterised as indebtedness as a result of a change in, or amendment to, or any change in the application or official interpretation of, the relevant Accounting Principle, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and such Relevant Items were and remain treated as equity or a form of indebtedness subordinated to the Notes on an insolvency of the Issuer thereof;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Fund Group**" means the Fund and each of its Subsidiaries;

"**Goodman**" means:

(a) Goodman Limited, a public company incorporated in Australia with registration number ABN 69 000 123 071; and/or

(b) Goodman Funds Management Limited, registered in Australia with registration number ABN 48 067 796 641 as responsible entity of the Goodman Industrial Trust registered in Australia ARSN 091 213 839; and/or

(c) Goodman Logistics (HK) Limited, a public company incorporated in Hong Kong with company number 1700359; and/or

(d) any other company or trust the capital in which is stapled to that of the other companies and trusts constituting Goodman;

"**Group**" means the Fund and each of its wholly owned Subsidiaries;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantors in the Trust Deed;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Investment Manager**" means the investment manager of the Fund, being, as at the Issue Date, GFM Hong Kong Limited, or any successor entity;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) unless otherwise specified in the relevant Pricing Supplement;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Subsidiary**" means, as of any date, a Subsidiary of the Fund which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) representing five per cent. or more of that of the Fund Group.

An Officer's Certificate stating that, in its opinion, a Subsidiary is or is not, or was or was not, a Material Subsidiary shall, in the absence of wilful default or manifest or proven error, be conclusive and binding on the Issuer, the Guarantors, the Trustee, the Agents and the Noteholders. The Officer's Certificate shall, if there is a dispute as to whether a Subsidiary of the Issuer is or is not a Material Subsidiary, be accompanied by a report by an internationally recognised firm of accountants addressed to the directors of the Fund as to proper extraction of the figures used by the Fund in determining the Material Subsidiaries of the Fund and mathematical accuracy of the calculation;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Officer's Certificate**" means a certificate signed by an Authorised Officer of the Issuer or the relevant Guarantor, as the case may be;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

    (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (b) a day on which commercial banks are open for general business (including dealing in foreign currencies) in the city where the Principal Paying Agent has its Specified Office; and

    (ii) in the case of payment by transfer to an account, (a) a TARGET Settlement Day and (b) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

    (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (b) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent has its Specified Office; and

    (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**", other than in Condition 10(f) (*Redemption in the event of a Triggering Event*), means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to Australian dollars, it means Sydney or Melbourne and in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(c) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

"**Property Manager**" means the property manager of the Fund, being, as at the Issue Date, GPS Hong Kong Limited, or any successor entity;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Triggering Event), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, no fewer than three major banks selected by the Issuer and approved by the Trustee in the market that is most closely connected with the Reference Rate and notified in writing to the Calculation Agent;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement;

"**Reference Rate**" has the meaning given in the relevant Pricing Supplement;

"**Register**" has the meaning set out in Clause 4 (*Transfer of Registered Notes*) of the Agency Agreement;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or other security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation, and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement;

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note, and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination, Title and Transfer

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination and Bearer Notes will not be exchanged for Registered Notes and *vice versa*.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) *Title to Registered Notes:* The Registrar will maintain a register outside the United Kingdom in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes:* Subject to Condition 3(i) (*Closed periods*) and Condition 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity or payment as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Noteholders may not require transfers to be registered:

(i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes;

(ii) during the period of 15 days ending on any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 10(g) (*Redemption at the option of the Issuer (Make Whole Redemption)*);

(iii) after a Put Option Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 10(e) (*Redemption at the option of Noteholders*);

(iv) after a Triggering Event Put Exercise Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 10(f) (*Redemption in the event of a Triggering Event*); and

(v) during the period of seven days ending on (and including) any Record Date (as defined in Condition 12(f) (*Record Date*).

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

4. Status and Guarantee

(a) *Status of the Notes*: The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*: The Guarantors have in the Trust Deed unconditionally and irrevocably, jointly and severally, guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of each Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), none of the Issuer or the Guarantors shall, and each of the Issuer and the Guarantors shall procure that none of the Material Subsidiaries will, create or permit to subsist any Security Interest (other than any Security Interest securing any Relevant Indebtedness (which, in the case of such secured Relevant Indebtedness of a Material Subsidiary, shall only include a portion of the principal amount thereof that corresponds to the Fund's direct and indirect equity interest in such Material Subsidiary), the aggregate principal amount of which does not exceed 5 per cent. of the total consolidated assets of the Fund (as determined by reference to the most recent audited consolidated financial statements of the Fund available on the date of incurrence of such secured Relevant Indebtedness)) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

For the avoidance of doubt, the maximum amount of secured Relevant Indebtedness that may be incurred pursuant to this Condition 5 shall not be deemed to be exceeded solely as a result of any fluctuations in valuation of any asset of the Fund, which occurs after the date of last incurrence of such secured Relevant Indebtedness.

6. Fixed Rate Note Provisions

(a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date up to and including the Maturity Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders of receipt of all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* Unless specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. Floating Rate Note

(a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders of receipt of all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent appointed by it) determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or an agent appointed by it) will: request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and the Issuer (or an agent appointed by it) shall notify the Calculation Agent of the same. The Calculation Agent will determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an agent appointed by it), at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on (x) the London inter-bank offered rate (LIBOR), (y) the Eurozone inter-bank offered rate (EURIBOR) or (z) the Hong Kong inter-bank offered rate (HIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent appointed by it) determines appropriate.

(e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as reasonably practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Calculation of other amounts:* If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as reasonably practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and the Trustee as soon as reasonably practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period, unless the Trustee requires otherwise. Notice thereof shall also promptly be given by the Issuer to the Noteholders and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(j) *Benchmark Discontinuation:* If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(j)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(j)(iii)) and any Benchmark Amendments (in accordance with Condition 7(j)(iv)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(j) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(i) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(j) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this final paragraph of Condition 7(j) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(j).

(ii) If the Independent Adviser determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(j)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(j); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(j)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(j).

(iii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iv) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(j) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(j)(v), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(j)). Noteholder consent shall not be required in connection with effecting the Successor Rate, Alternative Rate or Adjustment Spread (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or Agents (if required).

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(j) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 21 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by an authorised signatory of the Issuer:

(A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(j); and

(B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

(vii) The Successor Rate or the Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

(viii) As used in this Condition 7(j):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser (in consultation with the Issuer), determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser (in consultation with the Issuer) determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(j)(viii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Event**" means:

(A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(B) a public statement by the administrator of the relevant Reference Rate that it has ceased, or will, by a specified date within the following six months, cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified date within the following six months, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

"**Benchmark Amendments**" has the meaning given to it in Condition 7(j)(iv).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(j)(iv).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8. Zero Coupon Note Provisions

(a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent or Trustee has notified the Noteholders of receipt of all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Dual Currency Note Provisions

(a) *Application:* This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

10. Redemption and Purchase

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled as provided below, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, 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 of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) either Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) or the Guarantee of the Notes as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, 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 of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the relevant Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the relevant Guarantor, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the relevant Guarantor, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (X) an Officer's Certificate of the Issuer (or the relevant Guarantor, as the case may be) stating that the circumstances in (A)(1) and (A)(2) prevail and setting out the details of such circumstances or (as the case may be) an Officer's Certificate of the relevant Guarantor stating that the circumstances referred to in (B)(1) and (B)(2) above prevail and setting out the details of such circumstances and (Y) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the relevant Guarantor have or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

The Trustee shall be entitled without further enquiry to accept and rely upon such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders, Receipts and Coupons.

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *Redemption in the event of a Triggering Event:* At any time following the occurrence of a Triggering Event, the holder of each Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Triggering Event Put Date at their Early Redemption Amount (Triggering Event), together with accrued and unpaid interest (if any) up to, but excluding the Triggering Event Put Date. To exercise such right, the Holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), together with the Note or the Note Certificate (in the case of Registered Notes) evidencing the Notes to be redeemed by not later than 60 days following a Triggering Event, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 21 (*Notices*). The "**Triggering Event Put Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid on the Triggering Event Put Date.

The Issuer shall give notice to Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 21 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Ownership of Investment Manager or Property Manager, which notice shall specify the procedure for exercise by Noteholders of their rights to require redemption of the Notes pursuant to this Condition 10(f).

For the purposes of this Condition 10(f):

"**Change of Ownership of Investment Manager or Property Manager**" means the occurrence of Goodman ceasing to hold, directly or indirectly, (i) more than 50 per cent. of the voting rights of the issued share capital or (ii) the right to appoint or remove all or the majority of the members of the board of directors of the Investment Manager or the Property Manager;

"**Fitch**" means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalae, S.A. and Hearst Corporation, and its successors;

"**Investment Grade**" means a rating of "AAA", "AA", "A" or "BBB", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, a rating of "Aaa", or "Aa", "A" or "Baa", as modified by a "1", "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns, or a rating of "AAA", "AA", "A", "BBB", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or the equivalent ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Fund as having been substituted for S&P, Moody's or Fitch or two or three of them, as the case may be;

"**Moody's**" means Moody's Investors Service, Inc. and its successors;

a "**Person**", as used in this Condition 10(f), 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);

"**Rating Agencies**" means (i) S&P, (ii) Moody's and (iii) Fitch, **provided that** if S&P, Moody's, Fitch, two of any of the three or all three of them shall not make a rating of the Notes publicly available, a nationally recognised securities rating agency or agencies, as the case may be, selected by the Fund, which shall be substituted for S&P, Moody's, Fitch, two of any of the three or all three of them, as the case may be;

"**Rating Category**" means (i) with respect to S&P, any of the following categories: "BB", "B", "CCC", "CC", "C" and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba", "B", "Caa", "Ca", "C" and "D" (or equivalent successor categories), (iii) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C" and "D" (or equivalent successor categories); and (iv) the equivalent of any such category of S&P, Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P; "1", "2" and "3" for Moody's; "+" and "-" for Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB", as well as from "BB-" to "B+", will constitute a decrease of one gradation);

"**Rating Date**" means, in connection with a Triggering Event, that date which is 90 days prior to the earlier of (i) a Change of Ownership of Investment Manager or Property Manager and (ii) a public notice of the occurrence of a Change of Ownership of Investment Manager or Property Manager or of the intention by the Fund or any other Person or Persons to effect a Change of Ownership of Investment Manager or Property Manager;

"**Rating Decline**" means, in connection with a Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Ownership of Investment Manager or Property Manager or the intention by the Fund or any other Person or Persons to effect a Change of Ownership of Investment Manager or Property Manager (which period shall be extended so long as the rating of the Fund is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(i) in the event the Fund is rated by all three of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Fund by any two of the three Rating Agencies shall be below Investment Grade;

(ii) in the event the Fund is rated by any two, but not all three, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Fund by any of such two Rating Agencies shall be below Investment Grade;

(iii) in the event the Fund is rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Fund by such Rating Agency shall be below Investment Grade; or

(iv) in the event the Fund is rated by three or fewer than three Rating Agencies and is rated below Investment Grade by all such Rating Agencies on the Rating Date, the rating of the Fund by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories);

"**S&P**" means Standard & Poor's Ratings Services and its affiliates and successors; and

"**Triggering Event**" means the occurrence of both a Change of Ownership of Investment Manager or Property Manager and, if the Fund is rated by at least one Rating Agency, a Rating Decline.

(g) *Redemption at the option of the Issuer (Make Whole Redemption):* If the Call Option (Make Whole Redemption) is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole and not in part, at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable), or on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable), at the relevant Make Whole Redemption Amount (Call), on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes at the Make Whole Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

For the purposes of this Condition 10(g):

"**business day**" means any day on which banks are open for general business (including dealings in foreign currencies) in London and New York City;

"**Comparable Treasury Price**" means, with respect to any redemption date, the average of three, or such lesser number as is obtained by the Determination Agent, Reference Treasury Dealer Quotations for the relevant date fixed for redemption of the Notes;

"**Determination Agent**" means an independent investment bank of international repute, appointed by the Issuer and the Guarantors (and notice thereof is given to Noteholders and the Trustee by the Issue in accordance with Condition 21 (*Notices*)) for the purposes of performing any of the functions expressed to be performed by it under these Conditions;

"**Make Whole Redemption Amount (Call)**" means in respect of each Note, either (i) the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or (ii) (x) the principal amount of such Note or, if this is higher (y) the amount equal to the sum of the present value of the principal amount of such Note, together with the present values of the interest payable for the relevant Interest Periods from the relevant date fixed for redemption to the Maturity Date, in each case, discounted to such redemption date on a basis specified in the applicable Pricing Supplement at the adjusted U.S. Treasury Rate or such other benchmark rate as specified in the applicable Pricing Supplement plus the Make Whole Redemption Margin, all as determined by the Determination Agent;

"**Reference Treasury Dealer**" means each of the three nationally recognised investment banking firms selected by the Determination Agent that are primary U.S. Government securities dealers;

"**Reference Treasury Dealer Quotations**" means with respect to each Reference Treasury Dealer and any date fixed for redemption of the Notes, the average, as determined by the Determination Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Determination Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time on the third business day immediately preceding such due date for redemption; and

"**U.S. Treasury Rate**" means either (a) the rate per annum equal to the yield, that represents the average for the week immediately preceding that in which the third business day prior to the relevant date fixed for redemption falls, appearing in the most recently published statistical release designated "H.15(519)" (weblink: http://www.federalreserve.gov/releases/h15/current/default.htm) or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities" for the maturity corresponding to the Comparable Treasury Issue **provided that** (a) if no maturity appears that is within three months before or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the U.S. Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, and (b) if such release (or any successor release) is not published during the week preceding that in which the third business day prior to the relevant date falls or such release (or successor release) does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant date fixed for redemption, in each case calculated on the third business day immediately preceding the relevant date fixed for redemption.

(h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (g) above.

(i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(i) or, if none is so specified, a Day Count Fraction of 30/360.

(j) *Purchase:* The Issuer, the Guarantors or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(k) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantors or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. Payments – Bearer Notes

This Condition 11 is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but (except as described in (ii) below) subject to the provisions of Condition 13 (*Taxation*), and (ii) notwithstanding the provisions of Condition 13 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the relevant Pricing Supplement specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(c) (*Redemption at the option of the Issuer*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(f) (*Redemption in the event of a Triggering Event*), Condition 10(g) (*Redemption at the option of the Issuer (Make Whole Redemption)*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. Payments – Registered Notes

This Condition 12 is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but (except as described in (ii) below) subject to the provisions of Condition 13 (*Taxation*), and (ii) notwithstanding the provisions of Condition 13 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof; any intergovernmental agreement with respect thereto or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifth business day (in the case of Renminbi) and the fifteenth day (in the case of a currency other than Renminbi, whether or not such fifteenth day is a business day) before the due date for such payment (the "**Record Date**").

So long as the Global Note or a Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

13. Taxation

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Hong Kong or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantors shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) where such withholding or deduction is imposed on a payment received by or on behalf of a holder of a Note, Receipt or Coupon who would be able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim.

(b) *FATCA:* The Issuer, the Guarantors or any of their respective agents making a payment on its behalf shall be permitted to withhold or deduct from any payment of principal or interest any additional amounts be paid with respect to any tax, duty, assessment or governmental charge (i) required to be withheld or deducted by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction pursuant to the implementation of FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or any intergovernmental agreement with respect thereto, or any other agreement pursuant to the implementation of FATCA, (ii) imposed other than by way of withholding or (iii) imposed on a payment to a Holder that is a fiduciary, partnership or person other than the beneficial owner to the extent that under the tax laws of the relevant taxing jurisdiction the payment would be required to be included in the income of a settlor or beneficiary with respect to such fiduciary, a partner of such partnership or the beneficial owner and such settlor, beneficiary, partner or beneficial owner would not have been entitled to receive additional amounts had it been the Holder of the Note or Coupon (in each case, "**FATCA withholding**"). The Issuer, the Guarantors or any of their respective agents will have no liability for or have any obligation to pay additional amounts in respect of any such FATCA withholding.

(c) *Taxing jurisdiction:* If the Issuer or any Guarantor becomes subject at any time to any taxing jurisdiction other than the Cayman Islands and Hong Kong, references in these Conditions to the Cayman Islands and Hong Kong shall be construed as references to the Cayman Islands and Hong Kong and/or such other jurisdiction.

(d) *Trustee and Agents:* Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 13 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

14. Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction by the Noteholders), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Termination Amount together (if applicable) with accrued interest:

(a) *Non-payment:* the Issuer fails to pay any amount of principal or interest in respect of the Notes and such default continues for 7 days in the case of principal and 14 days in the case of interest; or

(b) *Breach of other obligations:* the Issuer or any Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Agency Agreement or Trust Deed and such default remains unremedied for 30 Business Days after written notice thereof, addressed to the Issuer and the Guarantors by the Trustee, has been delivered to the Issuer; or

(c) *Cross default of the Fund or any of its Material Subsidiaries:*

(i) any Financial Indebtedness of the Fund or any of its Material Subsidiaries is not paid when due nor (as the case may be) within any originally applicable grace period; or

(ii) any Financial Indebtedness of the Fund or any of its Material Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

(iii) any commitment for any Financial Indebtedness of the Fund or any of its Material Subsidiaries is cancelled or suspended by a creditor of the Fund or any of its Material Subsidiaries as a result of an event of default (however described),

provided that the amount of Financial Indebtedness referred to in sub paragraphs (i) to (iii) above individually or in the aggregate exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which a calculation is made under this Condition 14(c); or

(d) *Creditors' process:* any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer, any Guarantor or any Material Subsidiary (i) having an aggregate value of U.S.$25,000,000 (or its equivalent in other currencies) and (ii) is not discharged within 20 Business Days; or

(e) *Insolvency, etc:* (i) the Issuer, any Guarantor or any Material Subsidiary: (A) is unable or admits inability to pay its debts as they fall due; (B) is deemed to, or is declared to, be unable to pay its debts under applicable law; (C) suspends or threatens to suspend making payments on any of its Financial Indebtedness; or by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness; or (ii) a moratorium is declared in respect of any Financial Indebtedness of the Issuer, any Guarantor or any Material Subsidiary or any guarantee of any Financial Indebtedness given by them; or

(f) *Winding up, etc:* an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, any Guarantor or any Material Subsidiary (otherwise than, in the case of a Subsidiary of the Issuer or a Subsidiary of any Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent (i) on terms approved by an Extraordinary Resolution or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Fund or one of its Material Subsidiaries) **provided that** this paragraph (f) shall not apply to the extent such order is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement; or

(g) *Expropriation:* the authority or ability of the Issuer or any Guarantor to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Issuer or any Guarantor or any of its respective assets; or

(h) *Analogous event:* any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (e) (*Insolvency, etc.*) and (f) (*Winding up, etc.*) above; or

(i) *Cessation of business:* the Issuer or any Guarantor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business; or

(j) *Authorisation and consents:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantors lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the England and Wales is not taken, fulfilled or done; or

(k) *Unlawfulness:* if the Notes or the Trust Deed is or becomes or is claimed by the Issuer or any Guarantor to be unenforceable or invalid; or

(l) *Guarantee not in force:* the Guarantee of the Notes is not (or is claimed by any Guarantor not to be) in full force and effect; or

(m) *Change of Ownership:* the Issuer or GHKI ceases to be a wholly-owned Subsidiary of the Fund.

For the purposes of this Condition 14, "**Business Day**" shall mean a day on which banks and foreign exchange markets are open for general business in Hong Kong.

15. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is 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, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or provided with security to its satisfaction, as well as relieved from responsibility in certain circumstances and to be paid its fees, costs and expenses in priority to the claims of the Noteholders. The Trustee, the Agents and their respective affiliates are entitled (i) to enter into business transactions with the Issuer, the Guarantors and/or any related entity and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer, the Guarantors and any entity related to the Issuer and/or the Guarantors and (ii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer and the Guarantors reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(a) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and

(b) if and for so long as the Notes are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**") and the rules of the SEHK so require, the Issuer and the Guarantors shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in Hong Kong.

Notice of any change in any of the Agents or in their Specified Offices shall as soon as reasonably practicable be given to the Noteholders.

18. Meetings of Noteholders; Modification and Waiver; Substitution

(a) *Meetings of Noteholders*: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than $66^2/3$ per cent. or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders of not less than 90 per cent. of the aggregate principal amount outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

So long as the Notes are represented by the Global Note Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding.

(b) *Modification and waiver*: The Trustee may, but shall not be obliged to, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, but shall not be obliged to, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as reasonably practicable thereafter.

(c) *Directions from Noteholders*: Notwithstanding anything to the contrary in these Conditions, the Trust Deed or the Agency Agreement, whenever the Trustee is required or entitled by the terms of these Conditions, the Trust Deed or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions.

(d) *Certificates and Reports*: The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any lawyers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

(e) *Substitution*: The Trustee may, without the consent of the Noteholders, agree with the Issuer and the Guarantors to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a Subsidiary of the Fund, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Guarantors (and in the case of substitution of a Guarantor in place of the Issuer, the Notes being unconditionally and irrevocably guaranteed by the other Guarantor) and (ii) certain other conditions set out in the Trust Deed being complied with.

19. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. Enforcement

The Trustee may at any time, at its absolute discretion and without notice, institute such proceedings, actions or steps as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

(i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(ii) it has been indemnified and/or pre-funded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

21. Notices

(a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in Hong Kong or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first 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). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by mail or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

22. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

23. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

24. Governing Law and Jurisdiction

(a) *Governing law*: The Notes, the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination or the Notes or any non-contractual obligation arising out of or in connection with them) or the consequences of its nullity.

(c) *Appropriate forum*: Each of the Issuer and the Guarantors agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Condition 24(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 24 prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent*: Each of the Issuer and the Guarantors agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Goodman UK Limited at Nelson House, Central Boulevard, Blythe Valley Park, Solihull, West Midlands, B90 8BG, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantors, the Issuer and the Guarantors (acting together) shall appoint a new agent for service of process in England and notify the Trustee and the Noteholders of the new agent's written acceptance of that appointment within 30 days of the date of appointment. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied for GHKLF's general corporate purposes. If, in respect of a particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the capitalisation and indebtedness of the Issuer as at 31 March 2019:

	As at 31 March 2019
	HK$'000
Short-term borrowings	
Bank loans – current portion[1]	5,877,500
Long-term borrowings	
Bank loans – non-current portion[1]	3,246,000
Long-term notes	
Long-term notes	3,101,200
	12,224,700
Less: unamortised borrowing costs	(53,383)
Total borrowings	12,171,317
Equity	
Contributed equity[2]	8
Hedging reserve[3]	(28,166)
Retained earnings	4,389
Total equity deficiency	(23,769)
Total capitalisation[4]	12,147,548

Notes:

(1) The Issuer had unsecured bank borrowings of HK$3,246,000,000 and subordinated bank loan of approximately HK$5,877,500,000 as at 31 March 2019.

(2) As at 31 March 2019, the Issuer had an issued share capital of U.S.$1,000 divided into 1,000 shares of U.S.$1.00 each.

(3) Comprises the effective portion of the cumulative net change in the fair value of derivative financial instruments used in cash flow hedges.

(4) Total capitalisation equals the sum of total borrowings and total equity deficiency.

On 16 September 2019, the subordinated bank loan referred to in Note 1 above matured and was repaid.

Except as described above, there has been no material change in the capitalisation and indebtedness of the Issuer since 31 March 2019.

CAPITALISATION AND INDEBTEDNESS OF THE GHKLF GROUP

The following table sets forth the consolidated capitalisation and indebtedness of GHKLF as at 31 March 2019:

	As at 31 March 2019
	HK$'000
Short-term borrowings	
Bank loans – current portion[(1)]	5,877,500
Long-term borrowings	
Bank loans – non-current portion[(1)]	3,246,000
Long-term notes	
Long-term notes	3,101,200
	12,224,700
Less: unamortised borrowing costs	(53,383)
Total borrowings	12,171,317
Equity	
Contributed equity[(2)]	1,629,797
Hedging reserve[(3)]	(28,981)
Retained earnings	21,076,585
Total equity	22,677,401
Total capitalisation[(4)]	34,848,718

Notes:

(1) GHKLF had unsecured bank borrowings of HK$3,246,000,000 and subordinated bank loan of HK$5,877,500,000 as at 31 March 2019.

(2) As at 31 March 2019, GHKLF had an authorised share capital of HK$5,000,000,000 divided into 100,000,000,000 shares of HK$0.05 each and had 6,186,841,940 shares in issue.

(3) Comprises the effective portion of the cumulative net change in the fair value of derivative financial instruments used in cash flow hedges.

(4) Total capitalisation equals the sum of total borrowings and total equity.

On 16 September 2019, the subordinated bank loan referred to in Note 1 above matured and correspondingly, 1,456,784,176 of new shares were issued to repay the subordinated debt.

Including the aforementioned new shares, since 31 March 2019, a total of 1,554,462,022 of new shares have been issued.

Except as described above, there has been no material change in the consolidated capitalisation and indebtedness of the GHKLF Group since 31 March 2019.

DESCRIPTION OF THE ISSUER

Goodman HK Finance

Goodman HK Finance (the "**Issuer**") was incorporated as an exempted company under the laws of the Cayman Islands on 2 February 2006 with an unlimited duration. As at the date of this Offering Circular, it has an authorised share capital of U.S.$50,000 divided into 50,000 shares of U.S.$1.00 each, of which 1,000 shares have been issued. The Issuer is a direct wholly-owned subsidiary of GHKLF and, as at the date of this Offering Circular, carries on and has no business other than entering into arrangements for the financing of GHKLF and the lending of proceeds from such financing activities to one or more other subsidiaries of GHKLF. As at the date hereof, the Issuer has no subsidiaries. The directors of the Issuer as at the date of this Offering Circular are as follows:

Mr. Gregory Goodman
Mr. Nicholas Kurtis
Mr. Paul McGarry
Mr. Kristoffer Harvey

Profiles of the directors are provided below in the section titled "*Description of the Management of GHKLF*."

The registered office of the Issuer is PO Box 472, 2nd Floor, North Wing, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands. The Issuer has no employees.

The Issuer has outstanding senior indebtedness equivalent to HK$6,347,200,000[1] as at 31 March 2019.

1 Senior indebtedness includes the long-term notes and bank borrowings in relation to the Issuer but excludes any bank borrowings by Joint Venture entities.

DESCRIPTION OF THE GHKLF GROUP

Business Overview

Established in 2005, GHKLF is an unlisted property fund managed by Goodman Group that invests in modern logistics, warehouse and data centre properties in Hong Kong through its wholly-owned subsidiary Goodman HK Investments. Subsidiaries of Goodman Group provide management, advisory and property administration services to the GHKLF Group.

As at 30 September 2019, Goodman Group held a 20 per cent. cornerstone shareholding in GHKLF, with the remaining shares held by institutional investors. Goodman Group is a leading international owner, developer and manager of industrial, warehouse, logistics, data centre properties and business space, with assets under management of approximately U.S.$32.5 billion as at 30 September 2019, and approximately 1,000 employees across 30 offices globally.

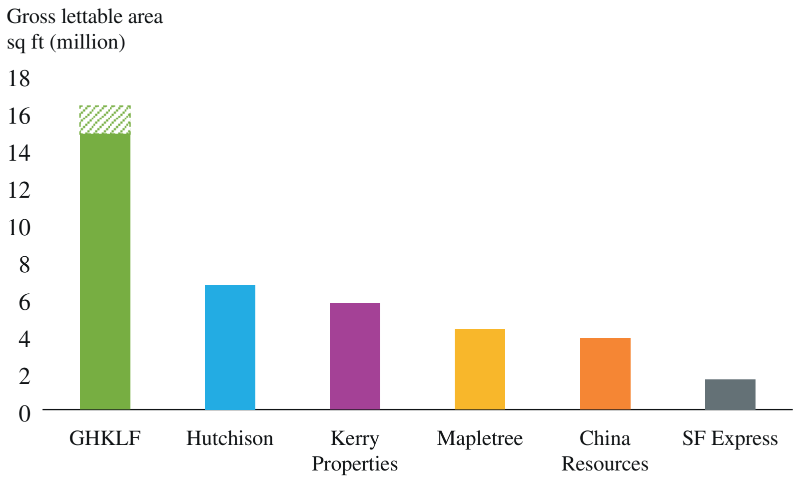
For more information about Goodman Group, see "*Description of the Management of GHKLF*" below.

As at 30 September 2019, GHKLF was the leading and the most diversified provider of modern warehouse and logistics space in Hong Kong (by total gross floor area) according to Savills (Hong Kong) Limited, focused on providing institutional investors with a long-term exposure to a diversified portfolio of industrial properties in Hong Kong (including warehouse, logistics, data centre properties and business space) that deliver stable, income driven returns with potential for income growth and capital appreciation.

As at 30 September 2019, GHKLF's investment portfolio comprised of 11 wholly or majority owned properties, two development sites and an interest in Container Terminal No. 3 ("**CT3**"). Collectively, the investments had a market value of HK$42.0 billion as of 30 September 2019, with a gross lettable area of 14.8 million square feet.

GHKLF's business strategy is to be the leading provider of industrial, warehouse, logistics, data centre properties and business space in Hong Kong. GHKLF's competitive advantages include the scale of its property portfolio, which offers a range of quality space to its diversified customer base, and its access to management services provided by Goodman Group. The following chart shows GHKLF's leading market position in terms of total gross lettable area compared to its peers as at 30 September 2019:

Hong Kong warehouse market – competitive landscape



Notes:

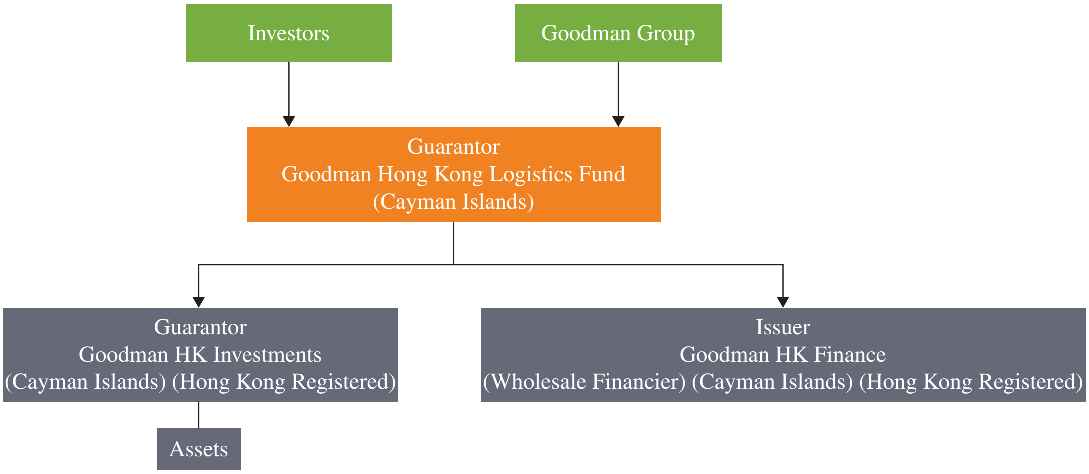
1. Source: Savills Research and Consultancy as at 30 September 2019

2. Dotted box presents estimated leasable area for warehouse development sites

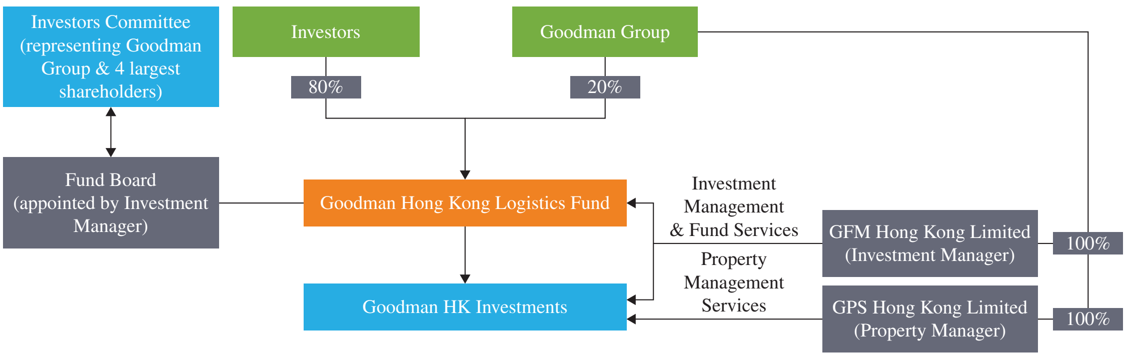
Goodman Group, through its wholly-owned subsidiaries, is responsible for providing strategic planning, management and reporting services to GHKLF, and for the day to day operations of GHKLF and its property portfolio.

Overview of GHKLF's Corporate Structure

The following diagram illustrates the structure of GHKLF in relation to the Issuer and Goodman HK Investments:



The following diagram illustrates the relationship between GHKLF and Goodman Group:



Note:

1. Investors includes PGGM, APG, CPPIB and CBRE Global Investors.

Market Overview

The warehouse and logistics property market in Hong Kong has historically benefited from strong consumption and associated demand for quality warehousing and logistics space. As at 30 September 2019, market vacancy rates have remained below 5 per cent. and rental growth has averaged 3 per cent. per annum in the past 5 years according to Jones Lang LaSalle Hong Kong Limited. These properties have typically benefited from strong rental growth over time as a result of consistent demand, a shortage of supply of new industrial properties due to an overall shortage of land available for new development in Hong Kong, and the Hong Kong government has also introduced revitalisation policies to encourage the renovation and conversion of older industrial buildings for alternate uses, which has further reduced the supply of industrial properties.

Data centre properties typically benefit from the growing demand for data storage and cloud computing solutions, the constraints in securing adequate power and the shortage of land available for the development of new data centres in Hong Kong.

GHKLF believes that its performance will continue to be underpinned by a number of market trends which include:

Domestic demand – customer demand supported by domestic private consumption and in-bound tourism promoting retail sales and consumption, which in turn drives demand for logistics and warehousing space. Domestic private consumption grew at a CAGR of 5.5 per cent per annum. over the past three years ended 31 December 2018, which has been supported by a low unemployment rate, stable inflation environment and real wage growth. Total tourist arrivals reached 65 million in 2018, representing an increase of 15.0 per cent. from 57 million in 2016. Domestic consumption and increase in the number of tourists has contributed to retail sales growth at a CAGR of 5.4 per cent. over the past three years ended 31 December 2018. Although these numbers have dropped in 2019 with the social and political unrest in Hong Kong, as retail sales have historically increased, the demand for warehouse space from retailers and end-users operating in Hong Kong has also increased. While the recent political and social protests and disruptions in Hong Kong have not had a significant impact on the demand for warehouse space from retailers and end-users operating in Hong Kong, if such protests and disruptions continue for a long period of time, there can be no assurance that the demand will not be affected. See "*Risk Factors – Risks relating to the Business and Industry of GHKLF – GHKLF's performance is dependent on the Hong Kong property markets.*"

Regional distribution – Hong Kong is well-positioned as a regional distribution hub for Asia. Hong Kong has well established logistics connections, and according to Airport Council International, is home to the world's busiest international air cargo centre; and according to World Shipping Council, the world's seventh busiest container terminal in 2018. Extensive logistics connections, free trade port status and ongoing infrastructure improvements is expected to continue supporting Hong Kong's position as a regional distribution hub, which in turn drives demand for logistics and warehousing space.

Data centres – Hong Kong is an established data centre hub in the Asia Pacific region due to its existing telecommunications infrastructure, reliable power supply, connectivity with the international submarine cable network, close proximity to major consumer markets and transparent legal system. Similar to other markets, there is expected to be increasing demand for data centre space in Hong Kong in the foreseeable future as new technologies such as artificial intelligence, machine learning, internet of things and 5G networks generate increasing amounts of data; large emerging economies in the Asia region, including China, India and Indonesia, rapidly adopt digital technologies; and the rising cost and complexity of IT infrastructure are driving enterprises to outsource their IT operations and data storage requirements to specialist data centre service providers.

Decreasing supply – the Hong Kong industrial market has experienced a net decrease in the supply of industrial buildings compared to a growth in demand. Competing demands for space in Hong Kong's land constrained market has led to limited new logistics and warehouse properties being developed during the past decade. At the same time, government policies that encourage revitalisation of older industrial buildings has resulted in older industrial properties being converted and redeveloped for alternative uses, such as commercial and residential properties. Such factors have led to an overall net reduction in the supply of industrial buildings when compared with the growth of demand for the same by approximately 5 per cent. over the past 12 years, based on research by Savills. Savills expects further reduction of the supply of industrial properties over the medium term, increasing demand for existing space and low prevailing vacancy levels. The decreasing overall supply of industrial properties and low market vacancy rates provide support for the rental values of GHKLF's properties.

History of GHKLF

Launched in April 2006, GHKLF is Goodman Group's only managed investment fund, and its primary investment vehicle for its own investment, focused on the Hong Kong industrial, warehouse, logistics and data centre markets. The valuation of GHKLF's investment portfolio has increased from HK$4.8 billion in April 2006 to HK$42.0 billion as at 30 September 2019.

GHKLF is supported by Goodman Group and other long-term shareholders and is well positioned to capitalise on the sourcing, development and management capabilities and expertise of Goodman Group, a global industrial real estate leader.

All shares in GHKLF are currently held by long-term institutional investors including Goodman Group, PGGM, APG, CPPIB and clients of CBRE Global Investors. These five investors, by mandate, represent approximately 94 per cent. of GHKLF's shareholding as at 30 September 2019.

Key milestones in GHKLF's history are set out in the table below:

April 2006

Fund launch

GHKLF commenced with seven assets valued at $4.8 billion

2006

Acquired Goodman Shatin Logistics Centre. Goodman Yuen Long Logistics Centre and Fanling Distribution Centre

Q1 2007

Acquired Brilliant Cold Storage 1 and 2, Kader Industrial Building and Cargo Consolidation Complex

Q3 2007

Acquired and refurbished Goodman Texaco Centre and Mita Centre

Disposed of Evergaun Plaza

Q4 2008

Acquired Goodman Western Plaza

Q4 2008

Raised $1.6 billion to fund the acquisition and development of Seaview and 50% of Goodman Interlink

Q3 2009

Disposed of Lung Wah International Godown

Q4 2009

Disposed of Brilliant Cold Storage 2

Q1 2010

Disposed of Fanling Distribution Centre

Q3 2010

Disposed of Seaview development

Q1 2011

Disposed of Wilson Logistics Centre and Brilliant Cold Storage 1

Q1 2012

Practiced completion of Goodman Interlink

Q4 2012

Disposed of East Asia Industrial Centre

Conversion of Cargo Consolidation Complex to data centre

Fund extended for a further 7 years until April 2020

Q2 2013

Acquired strategic interest in ATL Logistics Centre and Container Terminal 3

Completed $2.3bn capital raising

Q2 2014

Issued a US$400 million 10-years bond in the EMTN Reg S market

Obtained a BBB+/stable S&P credit rating

Q3 2014

Acquired Goodman Tsuen Wan West (GTWW)

Q4 2015

Disposed of Cargo Consolidation Complex

Q3 2016

Disposed of Kader Industrial Centre

Q2 2018

Acquired a greenfield logistics site in Tuen Mun from the Hong Kong Government for $2.75 billion

Q1 2019

Secured $2.73 billion of new equity commitments and initiated a Distribution Reinvestment Program to raise approximately $1.17 billion

Q2 2019

Signed a lease pre-commitment with a leading global data centre operator for 100% of GTWW Building 1 for a 15-year lease term

Investment Objectives, Strategy and Guidelines

The investment objectives of GHKLF are:

- to provide institutional investors with a long-term exposure and investment opportunities in a diversified portfolio of industrial properties in Hong Kong (including warehouse, logistics, data centre properties and business space); and
- to deliver stable, income driven returns with potential for income growth and capital appreciation.

To achieve these investment objectives, GHKLF's investment strategies are to:

- acquire further investments in industrial properties which enhance portfolio diversity and improve risk-adjusted returns;
- divest assets that are forecasted to not meet targeted returns, at an appropriate time;
- undertake a measured component of opportunities in enhanced return investments and development investments; actively manage, through other Goodman Group service providers, assets in the portfolio to identify and implement return enhancing opportunities; and
- implement appropriate capital management strategies to optimise returns.

GHKLF's investment guidelines aim to ensure the construction of the portfolio and its capital structure is consistent with the overall investment objectives and strategies, whereby:

- single asset exposure will not be more than 25 per cent.;
- exposure to vacant land will not be more than 5 per cent.;
- exposure to enhanced return/development assets will not be more than 20 per cent. (including 5 per cent. in relation to vacant land);
- exposure to industrial properties will not be less than 90 per cent.; and
- GHKLF will only acquire interests in assets where it intends to assume effective control of the management of the property within a reasonable timeframe.

Notwithstanding the above investment guidelines, the GHKLF investors committee (the "**Investors Committee**") may vote to waive one or more of the exposure limits from time to time.

GHKLF has access to a pipeline of premium industrial properties pursuant to a right of first refusal over Goodman Group's sourced acquisitions and developments in Hong Kong comprising of warehouse, distribution, logistics centres and data centres.

Overview of the Portfolio

GHKLF has a diversified portfolio offering stable and recurring revenue. The portfolio occupancy was 99.4 per cent. and the weighted average lease expiry was 3.3 years as at 30 September 2019. GHKLF has a diverse portfolio of 11 wholly or majority owned properties and a 50 per cent. interest in CT3, offering 14.8 million square feet of space, strategically located in the key industrial, logistics and data centre areas in Hong Kong.

GHKLF's portfolio has been developed and repositioned to offer its customers a high standard of industrial, warehousing, logistics and data centre space. This is complemented by a high-quality in-house asset management team provided by subsidiaries of Goodman Group, with approximately 70 direct staff who provide integrated management services including asset management, property management, leasing and building administration and related support services.

GHKLF's investment assets as at 30 September 2019 are as follows:

- nine wholly-owned[1] properties representing 58.4 per cent. of the total market value of GHKLF's portfolio;

- a 50.0 per cent. interest in Goodman Interlink representing 12.2 per cent. of the total market value of GHKLF's portfolio (with the remaining 50.0 per cent. held by Canadian Pension Plan Investment Board and collectively managed by Goodman Group);

- a 25.5 per cent. interest in ATL, the world's largest logistics building, representing 14.5 per cent. of the total market value of GHKLF's portfolio, pursuant to GHKLF's 75.0 per cent. ownership of Goodman DP World Hong Kong Limited, the joint venture vehicle with DP World Limited which holds indirect and controlling interests in ATL and CT3;

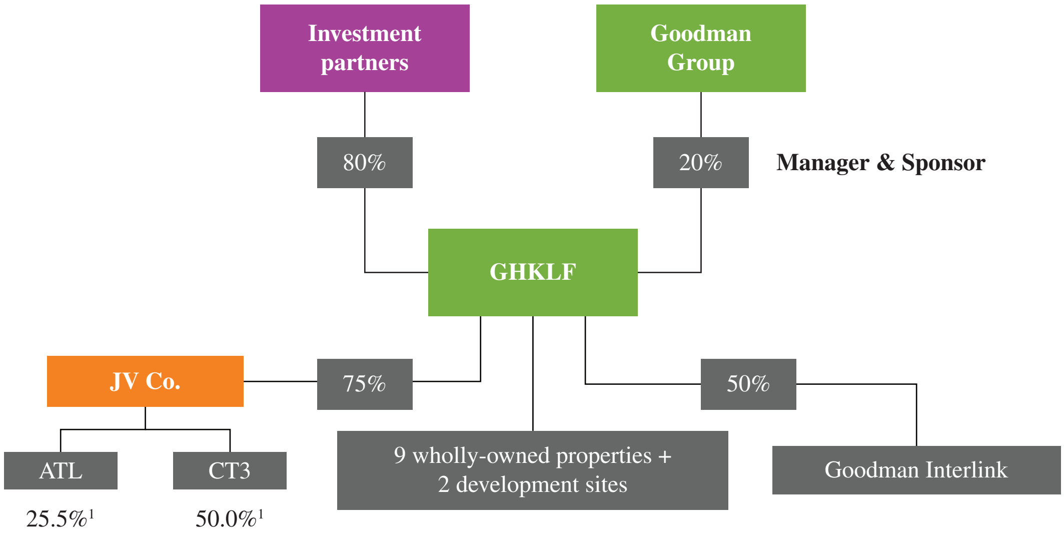
- a 50.0 per cent. interest in CT3 (held through Goodman DP World Hong Kong Limited), representing 1.7 per cent. of the value of the portfolio, pursuant to GHKLF's 75.0 per cent. ownership of Goodman DP World Hong Kong Limited. The joint venture partner DP World Limited, a leading global ports operator, manages the daily operations of CT3; and

- two wholly-owned development sites located in Tsuen Wan West and Tuen Mun representing 13.2 per cent. of the total market value of GHKLF's portfolio.

The following diagram illustrates the location of GHKLF's assets and their links to key Hong Kong infrastructure as at 30 September 2019:

1 Excluding strata interests.

The following diagram illustrates the ownership structure of GHKLF's investments as at 30 September 2019:



Note:

1. GHKLF has an effective interest of 25.5 per cent. and 50.0 per cent. in ATL & CT3 respectively. Pursuant to GHKLF's 75.0 per cent. ownership of Goodman DP World Hong Kong Limited, the joint venture vehicle with DP World Limited which holds indirect and controlling interests in ATL and CT3.

Anchor Assets

GHKLF has a track record in acquiring, developing and repositioning large industrial properties to increase rental cash flows and enhance the market value of its portfolio. GHKLF's anchor assets are serviced by Goodman Group's asset management and leasing team, which provides access to Goodman Group's global customer base and value-added expertise in leasing, operating and repositioning the properties. GHKLF's anchor assets include Goodman Interlink, Goodman Global Gateway and ATL.

Goodman Interlink was developed and completed by Goodman Group in 2012 with a gross lettable floor area of 2.4 million square feet and was 98 per cent. occupied on completion. Goodman Interlink is the world's tallest warehouse building and is one of the highest quality warehouse and logistics buildings in Hong Kong. Strategically located in Tsing Yi and adjacent to the Stonecutters Bridge, Goodman Interlink is adjacent to a major road network connecting Hong Kong International Airport, the CBD area and border crossing facilities with mainland China. Goodman Interlink was the first BEAM Gold Certificate certified and LEED Silver rated building to be constructed in Hong Kong. Goodman Interlink was 100 per cent. occupied as at 30 September 2019.

Goodman Global Gateway was acquired by GHKLF in 2006 with a gross lettable floor area of 1.2 million square feet. Goodman Global Gateway is a modern logistics and warehouse facility designed with direct ramp-access and cargo-access floors supported by seven cargo lifts and five passenger lifts. Goodman Group's asset management and leasing team have repositioned the property over time to attract high-quality occupiers, including high-tier data centre operators, international third-party logistics operators and well-established retail brands and food and beverage processors. Goodman Global Gateway was 98.4 per cent. occupied as at 30 September 2019.

ATL is the world's largest multi-storey logistics property offering nearly six million square feet of gross lettable floor area, with floor plate sizes of 300,000 to 400,000 square feet. ATL's major advantage is its close proximity to major land and sea transport routes – the property is adjacent to the main sea port; Hong Kong Island is only a 15-minute drive and Hong Kong International Airport a 20-minute drive. All floors are accessible by a three-lane ramp, resulting in highly efficient cargo loading and unloading operations. The facility offers efficient warehousing and logistics space to a range of occupiers undertaking cargo handling, storage and distribution services. ATL had an occupancy rate of 99.6 per cent. as at 30 September 2019.

Development sites

As of 30 September 2019, GHKLF held two wholly-owned development sites located in Tsuen Wan West and Tuen Mun, collectively, representing 13.2 per cent. of the total market value of GHKLF's portfolio. Goodman Tsuen Wan West is situated in Tsuen Wan West, a gentrifying infill location with a mix of commercial-, retail- and residential-use properties in the vicinity of the site. The current planning for the site is for the development of four towers providing approximately 1.4 million square feet of gross lettable floor area for a range of data centre, industrial and commercial occupiers.

Goodman Westlink, which is located in Tuen Mun, is expected to provide up to 1.5 million square feet of gross lettable floor area upon completion with floor plates of up to 400,000 square feet. The location is expected to be suitable for logistics, domestic and cross-border distribution given its efficient access to planned new major infrastructure projects connecting Hong Kong with the Greater Bay Area and Hong Kong International Airport.

GHKLF expects to maintain an exposure to enhanced return or development assets of less than 20 per cent. as per the investment guidelines in relation to the development of the Goodman Tsuen Wan West and Goodman Westlink sites. However, the GHKLF Investors Committee has agreed to waive the maximum exposure to vacant land of not more than 5 per cent. in relation to the Goodman Westlink site.

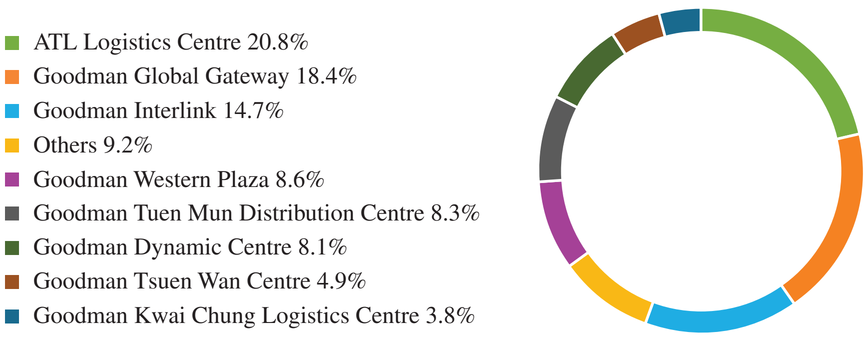
Portfolio diversification

GHKLF's stabilised property portfolio is typically located in key logistics markets, positioned close to major infrastructure hubs with access to transportation, including the Hong Kong Port Area, Hong Kong Prime Port, New Territories West and New Territories East. A breakdown of the portfolio by location as at 30 September 2019 is shown below:

Location	Gross lettable area	Portfolio value	Portfolio capitalisation rate	Weighted average lease expiry	Occupancy	Portfolio weighting
	(million square feet)	(HK$ million)	(per cent.)	(years) (by rent)	(per cent.) (by rent)	(per cent.) (by value)
HK Port Area	3.4	15,036	4.0	3.6	98.9	42.0
HK Prime Port	8.4	11,244	4.7	2.4	99.8	31.4
New Territories	3.0	9,498	3.9	3.9	100.0	26.6
Total Portfolio	14.8	35,779	4.2	3.3	99.4	100.0

As at 31 March 2019, no single asset constituted more than 25 per cent. of the total market value of GHKLF's portfolio and GHKLF's largest asset by net property income represented 20.8 per cent. of total net property income. A breakdown of each property's contribution to GHKLF's total net property income for the year ended 31 March 2019 is shown below:

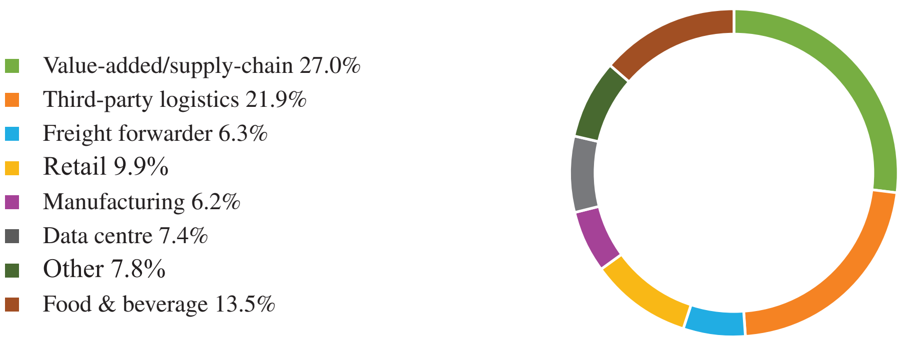
Property income by property (per cent. of total)



Customers/Occupiers

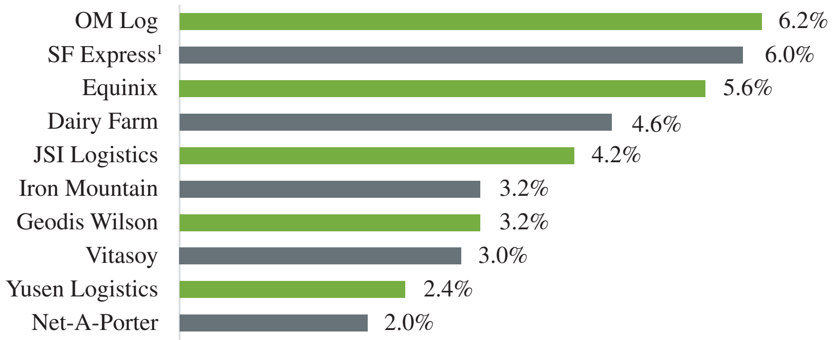
As at 30 September 2019, GHKLF had a diversified customer base of approximately 190 different customers across 400 separate lease agreements. GHKLF's customers have a diverse industry background, with the value-added/supply-chain (27.0 per cent.), third-party logistics (21.9 per cent.) and food and beverage (13.4 per cent.) industries representing the largest segments in terms of contracted annualised rental as at 30 September 2019, being the amount of annualised rents receivables calculated based on GHKLF's tenancy schedule as at 30 September 2019. The chart below illustrates the breakdown of GHKLF's total contracted annualised rental by industries of its customers as at 30 September 2019.

Customer diversification (by contracted annualised rental)



As of 30 September 2019, GHKLF's largest customers in terms of contracted annualised rental included OM Log (6.2 per cent.), a worldwide leading third-party logistics service provider; SF Express (6.0 per cent.), a leading express and logistics company in Asia; and Equinix (5.6 per cent.), a leading global data centre service provider. The ten largest customers accounted for 40.5 per cent. of GHKLF's contracted annualised rental as at 30 September 2019. The following chart summarises the top ten customers as a percentage of GHKLF's contracted annualised rental as at 30 September 2019.

Top 10 customers (by contracted annualised rental)



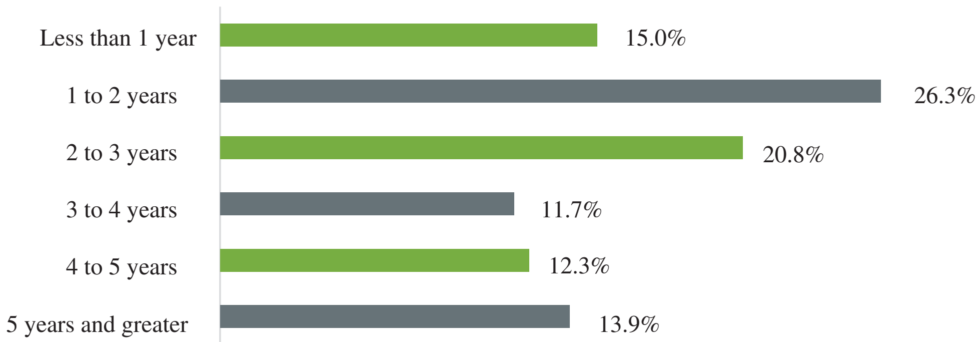
Note:

1. DHL Supply Chain sold its operations in Hong Kong, Macau and mainland China to SF Express in 2019.

Leasing and lease expiry profile

As at 30 September 2019, GHKLF's leases had a weighted average lease expiry ("**WALE**") of approximately 3.3 years which translates into an average lease term of around 3-5 years. Approximately, 15.0 per cent. of the leases expire in less than one year as at 30 September 2019. The following chart summarises the WALE as a percentage of GHKLF's contracted annualised rental as at 30 September 2019.

Lease expiry profile (by contracted annualised rental)

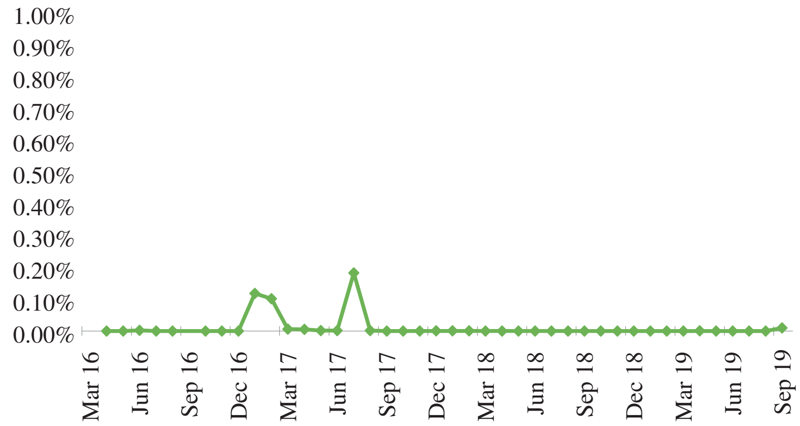


GPS Hong Kong Limited, a wholly owned subsidiary of Goodman Group, (the "**Property Manager**") proactively manages customer relationships and lease renewals on behalf of GHKLF. In each of the last three years, GHKLF has successfully leased or re-leased at least 30 per cent. of the portfolio (by gross lettable area) and achieved an average annualised uplift in rent of 7 per cent. Annualised uplift is defined as the new effective rent divided by the passing effective rent, and then divided by the number of years in the previous lease term.

Due to the proactive customer management approach adopted by the Property Manager, GHKLF has experienced very low levels of arrears in its rental receipts. In each of the past three years, the delinquency ratio for more than 90 days in arrears was less than 0.20 per cent. of total rental payments due.

The following chart illustrates GHKLF's delinquency ratio since the beginning of the 2017 financial year:

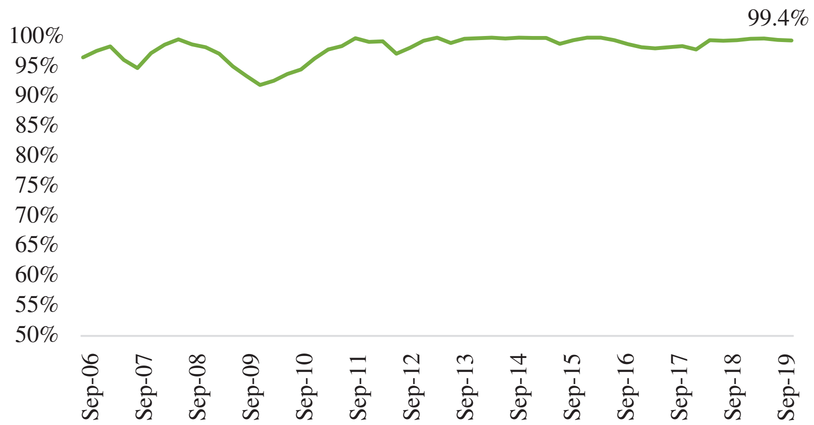
Rental arrears (over 90 days) as a percentage of total rental payments due



Historical Occupancy

As at 30 September 2019, GHKLF's portfolio had an occupancy rate of 99.4 per cent. Since the launch of GHKLF in 2006, quarterly occupancy has averaged 98.1 per cent. and over the last three years has averaged 99.0 per cent. GHKLF expects that its portfolio will continue to maintain high levels of occupancy, particularly given the ongoing reduction in overall supply of industrial space in the market.

Portfolio Occupancy



Capital Management

GHKLF's investment guidelines provide a target gearing range of 25 per cent. to 35 per cent., equal to net debt divided by gross total assets, net of cash and bank balances on a look-through proportionate basis. GHKLF has been consistently tracking below the lower end of this range over the past three years.

GHKLF's debt strategy is to secure and maintain diversified funding sources with diversified maturities to mitigate financing and refinancing risks.

Senior Debt Financing

GHKLF, through the Issuer, who is its financing subsidiary, had outstanding senior indebtedness equivalent to HK$6.3 billion[2] as at 31 March 2019, comprised of:

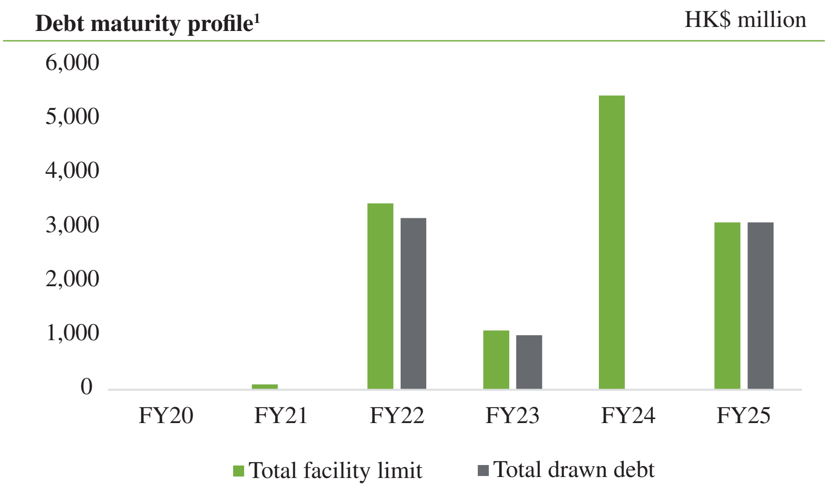
- Unsecured long-term notes of U.S.$400 million (HK$3.1 billion) repayable on 19 June 2024. The notes are unconditionally and irrevocably guaranteed on a joint and several basis by GHKLF and its subsidiary, Goodman HK Investments. Cross currency swaps effectively convert the fixed rate long term notes into a Hong Kong Dollar floating rate liability of HK$3.1 billion; and

- Unsecured revolving credit facilities totalling HK$9.0 billion provided by a group of banks based in Hong Kong, of which HK$3.2 billion was drawn as at 31 March 2019.

In addition, the Issuer has a 50.0 per cent. share of bank borrowings by a joint venture, Goodman Interlink Limited, including a term loan facility of HK$1.6 billion and revolving credit facility of HK$0.6 billion. As of 31 March 2019, the term loan facility was fully drawn and HK$0.4 billion of the revolving credit facility was drawn. The term facility and revolving credit facility is secured by a mortgage on the real property and pledges over the equity interests of the relevant holding companies in respect of the Goodman Interlink joint venture.

GHKLF has not incurred significant senior indebtedness since 31 March 2019.

The maturity profile of GHKLF's senior debt and term loan facility for the Goodman Interlink joint venture, each as at 30 September 2019, is summarised in the table below:



Note:

1. Debt maturity does not take into account the Borrower's exclusive option to extend certain debt facilities by up to 1-2 years upon payment of a fixed extension fee to the lender(s).

Subordinated debt facility

As of 31 March 2019, GHKLF's total indebtedness included a subordinated loan of HK$5.9 billion pursuant to a subordinated facility agreement originally dated 8 September 2010 (as amended and restated on 2 September 2013, 14 September 2016 and from time to time) between (among others) the Issuer and Standard Chartered Bank as the original lender. This subordinated loan matured on 16 September 2019.

2 Senior indebtedness includes the long-term notes and bank borrowings in relation to the Issuer but excludes any bank borrowings by Joint Venture entities.

The subordinated loan was associated with a credit-linked investment placed by Perpetual (Asia) Limited, as custodian of the shareholders of GHKLF, with Standard Chartered Bank, where the principal amount of the credit linked investment corresponded to the principal amount of the subordinated loan. On 16 September 2019, the credit-linked investment was redeemed with the subordinated loan being transferred to GHKLF and through a series of contemporaneous equity issues by the Issuer and GHKLF, the subordinated loan was subsequently discharged and no longer exists.

Standard & Poor's had considered the subordinated debt structure in their ratings exercise in connection with GHKLF. The subordinated debt was not included in GHKLF's ratio calculations and was treated akin to an equity investment in GHKLF. Accordingly, the above-mentioned transactions that occurred on 16 September 2019 have had no impact on Standard & Poor's rating exercise or GHKLF's leverage ratios.

Financial Risk Management Policy

GHKLF adopts a prudent financial risk management policy summarised as below:

Liquidity risk management

GHKLF has a policy of managing its working capital so that it is adequate and there is available liquidity to cover GHKLF's committed capital expenditure and future obligations. As at 30 September 2019, GHKLF had available liquidity of HK$6.0 billion through undrawn revolving credit facilities and cash at bank, and HK$2.7 billion of undrawn equity commitments from GHKLF's shareholders.

Financial covenants risk management

GHKLF has a policy of ensuring that it is at all times meeting its financial undertakings and covenants under all debt facilities. Below is a summary of the financial covenants as at 31 March 2019:

	Actual	Limit
	(per cent.)	(per cent.)
Goodman HK Finance (Senior Unsecured Debt)		
Gearing Ratio	23.4	50
Unencumbered Assets Ratio	23.4	50
Interest Cover Ratio	569	150
Priority Debt Ratio	0	15
Goodman Interlink (Secured Debt)		
Loan to Value	19.8	50
Interest Cover Ratio	669	150

Goodman HK Finance (Senior Unsecured Debt)

Interest rate risk management

To mitigate the impact of interest rate volatility on GHKLF's cash flow and net profit after servicing of debt, GHKLF has a policy of hedging floating interest rates within specific target ranges over a five to seven-year period. As at 30 September 2019, the floating rate debts of GHKLF were 60 per cent. hedged on a look-through proportionate basis.

The financial risk management policy permits the use of derivative instruments to be exclusively for mitigation of floating interest rate fluctuations. It does not permit the use of derivative instruments for speculative purposes. The policy also outlines the intention to use only basic derivative products such as interest rate swaps, caps, options and forward contracts.

Credit risk management

GHKLF also has a policy of managing counterparty credit risk in relation to investing surplus cash (such as deposits) and on derivatives settlements. The counterparty must have a minimum of the following credit ratings:

- Standard & Poor's: BBB+
- Moody's: Baa1
- Fitch: BBB+

Laws and Regulations

The operations of GHKLF are subject to various laws and regulations. All investment properties and CT3 are held through long term government leases, all of which expire in 2047 (other than the land lease for Goodman Westlink, which will expire in 2068).

Government leases contain conditions in connection with the permitted usage of the land and rights in relation to the land. Government leases may also contain conditions in relation to the completion of development on the land. Any breach of the conditions of any government lease could lead to the government exercising its rights under the lease, including the right to re-enter the relevant property.

GHKLF's activities conducted on its investment properties are governed by relevant statutes, rules and regulations. Developments, major building works, re-development projects and other operations may require government permits, some of which may take longer to obtain than others. From time to time, governments may impose new regulations on landlords such as mandatory retrofitting of upgraded safety and fire systems in all buildings. GHKLF's properties and CT3 are subject to inspections by certain governmental departments with regard to various safety and environmental issues if warranted by the circumstances.

Competition

GHKLF competes with other property owners and developers in Hong Kong for the acquisition of suitable investment and development properties. Management believes Goodman Group's extensive experience in the investment, management and development of modern warehouse and logistics facilities will enable it to remain competitive in Hong Kong.

Insurance

GHKLF believes that its properties and operations are covered by adequate property insurance by reputable companies operating in the same business segments and with commercially reasonable deductibles and limits, covering fire, earthquake, terrorism, loss of rental, third party liabilities and business interruption.

Corporate Governance

Boards of the Guarantors

The directors of GHKLF and GHKI as at the date of this Offering Circular are as follows: Mr. Gregory Goodman, Mr. Nicholas Kurtis, Mr. Paul McGarry and Mr. Kristoffer Harvey.

Profiles of the directors are provided below in the section titled "Description of the Management of GHKLF".

GHKLF

GHKLF was established and incorporated as an exempted company under the laws of the Cayman Islands on 25 October 2005 with an unlimited duration. The registered office of GHKLF is P.O. Box 472, 2nd Floor, North Wing, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

As at the date of this Offering Circular, GHKLF has authorised share capital of HK$5,000,000,000 divided into 100,000,000,000 shares of HK$0.05 each.

GHKLF's financial year runs from 1 April to 31 March. The independent auditor of GHKLF is KPMG, of 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong.

Goodman HK Investments

Goodman HK Investments was established and incorporated as an exempted company under the laws of the Cayman Islands on 8 March 2005 with an unlimited duration. The registered office of Goodman HK Investments is P.O. Box 472, 2nd Floor, North Wing, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

As at the date of this Offering Circular, Goodman HK Investments has authorised share capital of U.S.$2,000,000,000 divided into 2,000,000,000 shares of U.S.$1.00 each. It is a wholly-owned subsidiary of GHKLF.

DESCRIPTION OF THE MANAGEMENT OF GHKLF

Goodman Group Overview

Goodman Group is a leading international owner, developer and manager of industrial properties, with total assets under management of approximately U.S.$32.5 billion as at 30 September 2019, and approximately 1,000 employees across 30 offices globally in 17 countries, serving over 1,600 customers across 389 properties with an aggregate 18.9 million square metres of industrial and business space under management.

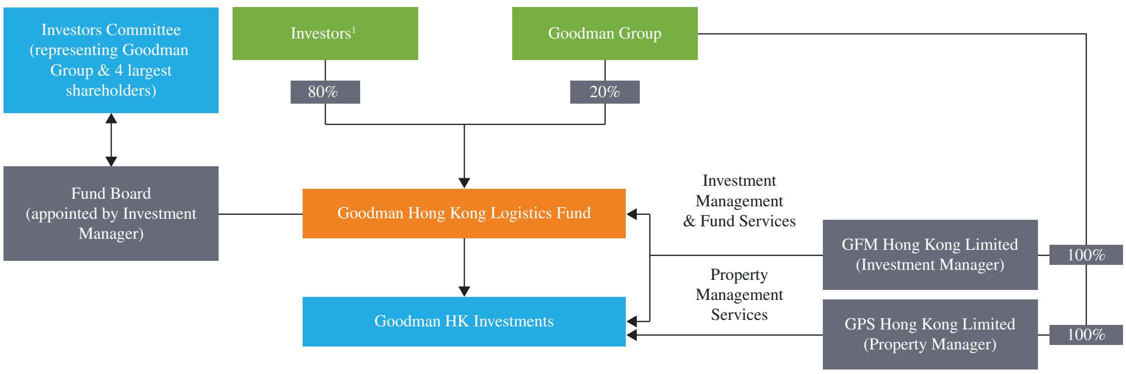
Goodman Group invests in business parks, office parks, industrial estates, warehouses and distribution centres in key international markets including Australia, New Zealand, United Kingdom, Continental Europe, Japan and Greater China. As an Australian listed property operator and fund manager, Goodman Group has a strong credit investment grade rating of BBB+ by Standard & Poor's and Baa2 by Moody's. As at 30 September 2019, Goodman Group had a market capitalisation of about U.S.$17.5 billion.

Goodman Group's business strategy is to be the leading international provider of industrial property and business space to leading global customers in each of the markets in which Goodman Group operates. Goodman Group's business model incorporates an integrated property platform comprising property investment, management services and property development. Goodman Group aims to leverage its integrated platform via its "own + develop + manage" customer service model. Goodman Group believes that through this model, it provides a full-service offering, which fosters long-term relationships and facilitates higher customer retention, with the goal of ultimately driving enhanced returns.

Investment Manager and Property Manager

GHKLF is managed by wholly-owned subsidiaries of Goodman Group. GFM Hong Kong Limited, as the Investment Manager, provides strategic planning, management and reporting services to GHKLF under a services agreement (the "**Services Agreement**") and is responsible for supervising the day to day operations of GHKLF. GPS Hong Kong Limited, as the Property Manager (together with the Investment Manager, the "**Managers**"), provides property management services to GHKLF, also under the Services Agreement.

The diagram below illustrates GHKLF's management and governance structure.



Note:

1. Investors includes PGGM, APG, CPPIB and CBRE Global Investors.

The Investment Manager and the Property Manager are indirectly and wholly-owned by Goodman Logistics (HK) Limited, a company limited by shares and incorporated in Hong Kong with company number 1700359 (with a registered address of Suite 901, Three Pacific Place, 1 Queen's Road East, Hong Kong). Shares in Goodman Logistics (HK) Limited are stapled to shares in Goodman Limited and units in the Goodman Industrial Trust. Those shares and units cannot be traded separately and they trade together as Goodman Group securities on the Australian Securities Exchange under the ticker GMG and are widely held. Goodman Group (which includes Goodman Logistics (HK) Limited) is not controlled by any one entity.

GHKLF generally does not have employees (except in connection with its joint venture arrangements with respect to ATL and CT3). The Investment Manager and the Property Manager utilise the services, resources and employees of Goodman Group's Hong Kong operations, including 47 office staff in Hong Kong and over 23 staff employed directly by the Property Manager who work at the properties owned by GHKLF.

Management services provided by the Investment Manager include preparing budgets and business plans for consideration by the Board and the Investors Committee (defined below), advising on, preparing and executing investment proposals and restructuring proposals, capital and debt management, cash management and administrative and financial duties, including preparing accounts and arranging audits and reporting to shareholders, including quarterly and annual reports. The fees for the Investment Manager are set as a base management fee, with a performance fee calculated at the end of each liquidity review period (with the next review to take place in April 2020).

Property management services provided by the Property Manager include leasing services, such as engaging third party leasing agents and carrying out lease renewals, transaction services, including acquisitions and disposals of properties, developing and redeveloping properties, preparing income, operating and capital expenditure budgets (and managing and operating the properties within those budgets), managing relationships with customers, including disputes, and carrying out and engaging third parties for maintenance of the properties. The fees for the Property Manager are based on a percentage of gross rental receipts, with leasing and transaction services based on a scale of fees confirmed by the Investors Committee each year.

The Managers are required to manage GHKLF's portfolio with due diligence and care, in compliance with laws and to a standard to meet its obligations under the Services Agreement. The Services Agreement contains a number of key performance indicators for both the investment management services and the property management services, and against which the performance of the Investment Manager and the Property Manager is measured. The Managers are required to review their performance against the key performance indicators and provide reports to GHKLF and the Investors Committee every six months.

Board appointments

The Investment Manager is responsible for appointing members to GHKLF's board of directors (the "**Board**") and the Board is responsible for all aspects of the management of GHKLF and has ultimate responsibility for its corporate governance practices.

The Board comprises of the following four Goodman Group employees.

Gregory Goodman. Mr. Gregory Goodman was appointed the Chief Executive Officer of Goodman Group on 7 August 1998. Mr. Gregory Goodman was a co-founder of Goodman Group. Mr. Gregory Goodman has over 30 years of experience in the property industry, with significant expertise in the industrial property arena. He is currently a director of Goodman (NZ) Limited, the manager of New Zealand Exchange listed Goodman Property Trust, and the management companies of Goodman Group's unlisted funds and its subsidiaries, as well as numerous other privately held companies.

Nicholas Kurtis. Mr. Nicholas Kurtis is Goodman Group's Head of Equities. He is responsible for the coordination and performance of Goodman Group's corporate activities and funds management platform. He joined Goodman Group in 2000 and has held a number of senior positions within funds management and corporate services. Mr. Kurtis has over 20 years of experience in the property funds management industry and holds an undergraduate degree in real estate and a Master's in Finance from the University of Technology, Sydney.

Paul McGarry. Mr. Paul McGarry has overall executive responsibility for Goodman's operations in Asia including Japan, Hong Kong and mainland China with the management of over U.S.$10 billion in assets in addition to an active development programme in key gateway cities. Mr. McGarry has over 20 years of real estate and finance experience (including over 10 years in Asia). Mr. McGarry commenced his professional career in Perth, Western Australia in chartered accounting, before moving to Sydney, where he specialised in real estate and private equity. He then joined the real estate group of Macquarie Group in Sydney and then joined Goodman Group in Tokyo in 2007. Mr. McGarry relocated to Hong Kong in 2016 where he now resides. Mr. McGarry holds a Bachelor of Commerce (Accounting and Finance) and a Bachelor of Laws both from the University of Western Australia and a Master's in Finance from Macquarie University in Sydney.

Kristoffer Harvey. Mr. Kristoffer Harvey is responsible for the overall management and operations of Goodman Group's activities for Greater China. He joined Goodman Group in 2002 and has held various positions during that time in Goodman Group's corporate, investment management, capital transactions, development and asset management divisions. He has worked on Goodman Group's investment and expansion plans across Asia Pacific including Hong Kong, China, Japan and Australia. He has over 18 years of real estate and investment experience. Mr. Harvey holds a Bachelor of Property Economics and a Master's in Applied Finance.

The boards of the Issuer and GHKI are also comprised of the same four Goodman Group employees.

Investors Committee

GHKLF has an Investors Committee of five members, comprised of one nominee of the Investment Manager and four nominees from the four largest shareholders (excluding any shareholders in the Investment Manager or any of their associates). Where one or more shareholders of GHKLF are represented by a fund manager who has full decision-making discretion in respect of those investments in GHKLF, the aggregate of those represented shareholdings in GHKLF are used to determine eligibility to appoint a representative to the Investors Committee. As such, representatives of the Investors Committee may be fund managers who represent more than one shareholder of GHKLF.

Each representative of the Investors Committee is entitled to a vote based on its respective interest in GHKLF relative to the interests in GHKLF being represented at the meeting of the Investors Committee. The representative of the Investment Management chairs the Investors Committee but does not have any additional or casting vote.

The Investors Committee was established for the purposes of confirming certain reserved matters in relation to GHKLF and is a forum for representatives of substantial shareholders to meet with the representatives of the Investment Manager and the Board in a consultative manner. The Investors Committee meets at least 4 times per year, and as often as required.

Reserved matters which must be confirmed by the Investors Committee include:

- the undertaking of any investment proposals involving any investment, disposal or capital expenditure exceeding 1 per cent. of the gross value of the assets of GHKLF;
- the repayment or restructuring (whether in whole or in part) of any financial accommodation provided to GHKLF or its subsidiaries;
- the confirmation of the Financial Risk Management Policy and any changes to such policy;
- the confirmation of any amendment of Investment Strategy and Guidelines proposed from time to time by the Board;

- the confirmation of the annual budget or business plan proposed by the Board and any subsequent cost overruns against such budget and business plan amounting to more than 10 per cent.;

- the commencement of construction for any new development project; and

- any capital raisings by GHKLF.

Shareholder meetings

GHKLF is required to hold a general meeting of shareholders at least once per year. The shareholders deed of GHKLF also sets out certain shareholder reserved matters which must be approved in a general meeting or by way of circulating resolutions of the shareholders.

Reserved matters which must be approved by shareholders include:

- the appointment of a new Investment Manager or Property Manager;

- changes to the constitution of GHKLF or to the rights conferred to any shares in GHKLF; and

- any liquidity strategy following a liquidity review (with the next liquidity review scheduled in April 2020) where shareholders lodge requests for liquidity for greater than 50 per cent. of the shares on issue.

Relationship Deed

The Relationship Deed contains rights of first refusal over Hong Kong industrial, logistics, warehousing and data centre properties sourced by Goodman Group and over Hong Kong logistics, warehousing and industrial property developments completed by Goodman Group.

The right of first refusal supports GHKLF's strategy of investing in new investment and development projects, giving GHKLF unique access to industrial, logistics, warehousing and data centre properties sourced and developed by Goodman Group.

Related Party and Conflict of Interest Policies

The Managers implement a related party policy (the "**Related Party Policy**") and a conflicts of interest policy (the "**Conflicts of Interest Policy**") which is in place to avoid any real or perceived governance issues due to the ownership and management structure and the potential for conflicts of interest in related party relationships.

The Related Party Policy requires that any related to related party agreements and payments are reviewed and signed off by the general counsel, the chief financial officer, the Investment Manager and Property Manager. Appropriate disclosure of the proposed related party payments is reported to the Investors Committee and the Investors Committee gives confirmation before any such payments are paid. A special majority confirmation is required of the Investors Committee to enter into any related party agreements and related parties are excluded from voting on relevant matters.

The Conflict of Interest Policy requires proper disclosure of any actual or perceived conflicts of interest to enable relevant parties to make an informed decision as to how the conflict may affect the service being provided to them. The policy prohibits staff participating in a conflict with their duties and responsibilities to Goodman Group, requires dealings with customers, suppliers and other parties at arm's length at all times, prohibits commissions, fees, gifts, favours or entertainment which might influence, or appear to influence, business judgment.

In addition, all directors of GHKLF and employees of the Managers are prohibited from accepting payment or any other benefits in money or in kind from third parties as an inducement or reward for any act or in connection with any matter or business transaction undertaken by or on behalf of GHKLF.

Audit, Risk and Compliance

Effective risk management is a fundamental part of GHKLF's business strategy and is central to protecting investors' interests. GHKLF operates within overall guidelines and specific parameters set by the Board and leverages from the risk management practices of Goodman Group. The Board has established internal audit, risk and compliance functions to assist in the exercise of its functions and duties and to ensure that all risks are monitored.

Senior management of the Managers reports to the Board on the outcome of its reviews and discussions with the external auditor and its findings on matters that have or are likely to have a material impact on the operating results or financial position of GHKLF. It is a requirement of the Board for the operations of the Managers to be internally audited.

The internal audit function involves a rolling programme of reviews and control testing of GHKLF's business processes. The internal audit programme is closely aligned to the risk management framework. The internal audit function is wholly independent of the external audit function. The findings of the internal auditor are reported to the Managers and the Board. The Managers respond to the recommendations of the internal auditor with appropriate actions and improved processes where necessary.

The Board has unlimited access to senior management of the Managers, external auditor and internal auditor. The general counsel is responsible for reviewing and monitoring the efficiency of the compliance systems on an ongoing basis and for reporting on the results of these activities to the Board.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantors believe to be reliable, but none of the Issuer, the Guarantors nor any 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. None of the Issuer, the Guarantors 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.

Book-entry Systems

Euroclear and Clearstream

Euroclear and Clearstream 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 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 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 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 participant, either directly or indirectly.

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

Book-entry Ownership

Bearer Notes

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

Registered Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate will have an ISIN and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, as the case may be.

Transfers of Notes Represented by Global Certificate

Transfers of interests in Global Certificates within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited.

Although Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

CAYMAN ISLANDS DATA PROTECTION LAW, 2017

The Cayman Islands Data Protection Law, 2017 (the "**DPL**"), which came into force on 30 September 2019, regulates the processing of personal data in the Cayman Islands.

By virtue of subscribing for Notes issued by the Issuer and through their associated interactions with the Issuer, its affiliates and/or its delegates (the "**Fund Entities**"), the Dealers and any investors or prospective investors will provide the Fund Entities certain information that constitutes "personal data" under the DPL.

Under the DPL, the Issuer is a "data controller" and the Issuer's affiliates (including the Guarantors) and/or its delegates may be "data processors" (or, in some circumstances, data controllers in their own right), in respect of such personal data.

A privacy notice (the "**Privacy Notice**"), which provides information regarding the processing of such personal data is attached as a schedule to this Offering Circular. The Privacy Notice is also available upon request to the Issuer and the applicable Dealer.

By subscribing for Notes issued by the Issuer and/or continuing to remain a Noteholder, the Dealers and/or any investors are deemed to acknowledge that they have read and understood the Privacy Notice and accept responsibility for transmitting the Privacy Notice to any natural person in respect of which they have provided personal data to the Issuer and the Guarantors in connection with such subscription.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

Hong Kong

Withholding Tax

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

Profits Tax

Hong Kong profits tax is chargeable 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).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or

(b) 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 and is in respect of the funds of that trade, profession or business; or

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong by way of gains or profits arising in or derived from Hong Kong from the sale, disposal or redemption of Bearer Notes where such gains or profits are in respect of the funds of the trade, profession or business may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong. Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bearer Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong. Any such sums in respect of Registered Notes received by or accrued to the aforementioned financial institution, person and/or corporation will be subject to Hong Kong profits tax if such sums arise in or are derived from Hong Kong. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intragroup financing business (as defined in section 16(3) of the IRO) from the sale, disposal or redemption of Bearer Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong.

Stamp Duty

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

(a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of 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 will, however, not be payable on any transfers of Registered Notes provided that either:

(a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be 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

No estate duty will be payable in Hong Kong in respect of Notes.

Cayman Islands Tax Considerations

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor’s particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Notes and the Note Certificates. An instrument of transfer in respect of a Note or a Note Certificate is stampable if executed in or brought into the Cayman Islands.

Goodman Hong Kong Logistics Fund has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law

2011 Revision

Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Goodman Hong Kong Logistics Fund (the "**Company**").

1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 On or in respect of the shares, debentures or other obligations of the Company; or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

3 These concessions shall be for a period of twenty years from 8 November 2005.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States"**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

United States' Foreign Account Tax Compliance Act Tax Provisions

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA and CRS

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "**US IGA**"), which gives effect to the automatic tax information exchange requirements of the US Foreign Account Tax Compliance Act (for the purposes of this section entitled "*FATCA and CRS*", "**US FATCA**"). The Cayman Islands is also one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the "**Common Reporting Standard**" or the "**CRS**"). In order to give effect to its obligations under the US IGA and the CRS, the Cayman Islands has adopted regulations (the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**Cayman TIA**") has also published guidance notes on the application of the IGA and the CRS.

Under the AEOI Regulations, all Cayman Islands "Financial Institutions" ("**FIs**") will be classified as "Reporting Financial Institutions" ("**Reporting FIs**") unless a FI may rely on an exemption, in which case it will be classified as a "Non-Reporting Financial Institution". If the Issuer is classified as a Reporting FI, the Issuer would be required to: (i) register with the US Internal Revenue Service (the "**IRS**") to obtain a Global Intermediary Identification Number (under US FATCA), (ii) register with and notify the Cayman TIA of its status as a Reporting FI, (iii) conduct due diligence on its investors to identify whether accounts are reportable under the AEOI Regulations, and (iv) report account information on reportable accounts to the Cayman TIA. The Cayman TIA will exchange the information reported to it with the IRS and other foreign fiscal authorities annually on an automatic basis.

By subscribing for Notes, the Dealers or any investor shall be deemed to acknowledge that the Issuer may require the Dealer or any investor to provide additional information and/or documentation which the Issuer may be required to disclose to the Cayman TIA or other foreign fiscal authorities and in the event an investor does not provide the requested information, the Issuer reserves the right to take any action and/or pursue all remedies at its disposal.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 18 December 2019, agreed with the Issuer and the Guarantors a basis upon which they or any of them may from time to time agree to purchase, acting as principal, Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Dealer Agreement, the Issuer (failing which the Guarantors jointly and severally) has agreed to reimburse the Dealers for certain of their expenses in connection with the update and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Issuer (failing which, the Guarantors) has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer 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.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Any stabilisation will be conducted in accordance with all applicable regulations. Under laws and regulations of the United Kingdom stabilisation activities may only be carried on by the Stabilisation Manager named in the applicable Pricing Supplement and must be discontinued 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.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantors or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Selling Restrictions

United States of America

In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes have not been and will not be registered under the Securities Act or the securities law of any state or other jurisdiction of the United States, and the Notes may not be offered or sold within the United States except in certain transactions exemption from, or not subject to, the registration requirements of the Securities Act.

Each Dealer has represented and each further Dealer appointed under the Programme will be required to represent that it has not offered or sold the Notes, and agrees that it will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act and accordingly, that:

(a) neither it nor any of its affiliates (including any person acting behalf of such Dealer or any of its affiliates) has engaged or will engage in any directed selling efforts in respect to the Notes); and

(b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Each Dealer represents that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdictions of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Each Dealer has represented and each further Dealer appointed under the Programme will be required to represent that it has not offered, sold or delivered any Notes, and will not offer, sell and deliver any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified to the Issuer and relevant Dealer, by the Principal Paying Agent or, in the case of a Syndicated Issue, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer agrees to notify the Principal Paying Agent or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any identifiable tranche so that the Principal Paying Agent or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of the all Notes of that Tranche and notify the other relevant Dealers of the end of the distribution compliance period. In order to facilitate compliance by each Dealer with the foregoing, the Issuer undertakes that, prior to such certification with respect to such Tranche, it will notify each Dealer in writing of each acceptance by the Issuer of an offer to purchase and of any issuance of, Notes or other debt obligations of the Issuer which are denominated in the same currency or composite currency and which have substantially the same interest rate and maturity date as the Notes of such Tranche.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of Notes of which such Notes are a part, as determined and certified by the relevant dealer, in the case of a non-syndicated issue, or the relevant lead manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in the above provision have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that it, its affiliates or any person acting on its or their behalf has not entered and will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations.

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) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), each Dealer (i) represents that it has not offered or sold, and agrees 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) represents that it has not delivered and agrees 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 represents that it has and agrees 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 represents that it is acquiring Notes in bearer form 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 l.163-5(c)(2)(i)(D)(6) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010); and

(d) with respect to each affiliate that acquires Notes in bearer form 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 subparagraphs (a), (b) and (c) on such affiliate's behalf.

Terms used in the above provision have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated 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 in the offer or sale of such Bearer Notes.

Terms used in the above provision have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each issuance of commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Relevant Dealer(s) shall agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

This Offering Circular has been prepared by the Issuer and the Guarantors for use in connection with the offer and sale of the Notes outside the United States. The Issuer, the Guarantors and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

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 offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   ii. a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   iii. not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes 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.

United Kingdom

Each Dealer has 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 having a maturity of less than one year, (a) 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 (b) 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 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 Financial Services and Markets Act 2000 (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 or the Guarantors; 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.

The Netherlands

Each Dealer will have represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in The Netherlands unless such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Prospectus Regulation).

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or any Notes in Australia,

unless:

i. the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

ii. the offer, invitation or distribution does not constitute an offer, invitation or distribution to a person in Australia who is a "retail client" as defined for the purposes of Section 761G of the Corporations Act;

iii. such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and

iv. such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

Hong Kong

In relation to each Tranche of Notes to be issued by the Issuer under the Programme, 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 except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of CWUMPO; 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" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the offering of the Notes is not an offer of securities within the meaning of the securities laws or other pertinent laws and regulations of the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**") and the Notes are not being offered or sold and may not be offered or sold directly or indirectly in the PRC except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant 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 the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the SFA except:

i. to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

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 SFA.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Cayman Islands

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Island Stock Exchange. For the purposes of this paragraph "public" shall not include professional investors in accordance with the listing rules of the Cayman Islands Stock Exchange.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). 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 offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China ("**Taiwan**") and/or other regulatory authority pursuant to relevant securities laws and regulations and may not be offered, issued or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission and/or other regulatory authority of Taiwan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular and any other offering or publicity material or any applicable Pricing Supplement. Each Dealer has agreed to obtain any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of Notes under the laws, regulations and directives in force in any jurisdiction to which it is subject or in or from which it makes such acquisition, offer, sale or delivery and none of the Issuer, the Guarantors, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee or any of the Dealers represent that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular, any other offering or publicity material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer, the Guarantors and the relevant Dealer shall agree and as set out in the applicable Pricing Supplement.

Other Relationships

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer or the Guarantors and their respective affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions with, the Issuer or the Guarantors and their respective affiliates in the future.

The Dealers or certain of their respective affiliates may, subject to the selling restrictions described above, purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 16 December 2019 and the Board of Directors of the Guarantors on 16 December 2019. The giving of the Guarantee of the Notes has been duly authorised by resolutions of the Board of Directors of GHKLF dated 16 December 2019 and the Board of Directors of Goodman HK Investments dated 16 December 2019.

Listing of Notes on the Hong Kong Stock Exchange

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period from the date of this Offering Circular. The issue price of listed Notes on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted for dealing in and listing of such Notes, commence on or about the next business day following the date of listing of the relevant Notes. Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HK$500,000 (or equivalent in other currencies).

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and each Guarantor and from the specified office of the Trustee in Hong Kong if and for so long as any Notes are listed on the Hong Kong Stock Exchange:

(a) the constitutional documents (with an English translation thereof, if applicable) of the Issuer and the constitutional documents (with an English translation thereof, if applicable) of each Guarantor;

(b) the audited consolidated financial statements of GHKLF in respect of the financial years ended 31 March 2018 and 2019, together with the audit report prepared in connection therewith;

(c) the most recently published audited consolidated annual financial statements of GHKLF and the most recently published unaudited consolidated interim financial statements (if any) of GHKLF, in each case together with any audit or review reports prepared in connection therewith (at the date of this Offering Circular, GHKLF does not publish any unaudited consolidated interim financial statements);

(d) the Agency Agreements, the Trust Deeds, the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(e) a copy of this Offering Circular; and

(f) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system (including Sicovam) the appropriate information will be specified in the applicable Pricing Supplement.

No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of GHKLF since 31 March 2019 and there has been no material adverse change in the financial or trading position of the Issuer since the date of its incorporation.

Litigation

None of the Issuer or the Guarantors is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or each Guarantor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or each Guarantor.

Auditors

The Issuer was incorporated on 2 February 2006. The auditors of GHKLF are KPMG, independent Certified Public Accountants, who have audited, and rendered unqualified audit reports on, GHKLF's consolidated financial statements for each of the years ended 31 March 2017, 2018 and 2019, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Solely in respect of the listing of the Programme on the Hong Kong Stock Exchange, KPMG has given and has not withdrawn its written consent to the reproduction of its auditor's reports dated 15 June 2018 and 14 June 2019 on the financial statements of GHKLF for the years ended 31 March 2018 and 2019 respectively, in this Offering Circular in the form and context in which it is so included.

INDEX TO FINANCIAL STATEMENTS OF GHKLF

Audited Consolidated Financial Information for the year ended 31 March 2019

Audited Consolidated Financial Information for the year ended 31 March 2018

Notes:

(1) The Independent Auditor's Report on the consolidated financial statements of GHKLF set out herein is reproduced from the Annual Report of GHKLF for the year ended 31 March 2019 and page references included in the Independent Auditor's Report refer to pages set out in such annual report.

(2) The Independent Auditor's Report on the consolidated financial statements of GHKLF set out herein is reproduced from the Annual Report of GHKLF for the year ended 31 March 2018 and page references included in the Independent Auditor's Report refer to pages set out in such annual report.

Goodman Hong Kong Logistics Fund

31 March 2019

KPMG

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Goodman Hong Kong Logistics Fund (the "Fund") set out on pages 4 to 49, which comprise the consolidated statement of financial position as at 31 March 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Fund as at 31 March 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund (continued)

(Incorporated in the Cayman Islands with limited liability)

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund (continued)

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
14 JUN 2019

Consolidated statement of profit or loss for the year ended 31 March 2019

(Expressed in Hong Kong dollars)

	Note	*2019* $'000	*2018* $'000
Revenue	4	937,478	885,693
Property operating expenses	5	(122,830)	(124,335)
Net property income		814,648	761,358
Interest income		36,994	48,307
Other net gain/(loss)	6	76,778	(77,667)
Performance fee	24	(710,000)	(414,000)
Administrative expenses		(125,520)	(108,035)
Finance costs	7	(399,541)	(333,284)
Share of profits of joint ventures	14	993,961	1,449,832
Profit before increase in fair value of investment properties		687,320	1,326,511
Increase in fair value of investment properties	12	4,462,822	1,702,338
Profit before taxation	8	5,150,142	3,028,849
Taxation	9(a)	(85,572)	(64,330)
Profit for the year		5,064,570	2,964,519

The notes on pages 11 to 49 form part of these financial statements. Details of dividends payable to equity shareholders of the Fund attributable to the profit for the year are set out in note 25(b).

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019

(Expressed in Hong Kong dollars)

	Note	*2019* $'000	*2018* $'000
Profit for the year		5,084,570	2,964,519
Other comprehensive income (after tax)	10		
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge:			
– Net movement in the hedging reserve		(70,372)	41,380
Share of other comprehensive income of a joint venture		(9,147)	7,657
		(79,519)	49,037
Total comprehensive income for the year		4,985,051	3,013,556

The notes on pages 11 to 49 form part of these financial statements.

Consolidated statement of financial position as at 31 March 2019

(Expressed in Hong Kong dollars)

	Note	2019 $'000	2018 $'000
Non-current assets			
Investment properties	12	21,475,701	16,951,930
Investment properties under development	13	5,404,680	1,108,775
Interests in joint ventures	14	10,123,524	9,694,969
Loan to a joint venture	15	618,562	-
Derivative financial instruments	23	35,249	53,255
Property, plant and equipment	11	4,493	-
		37,662,209	27,808,929
Current assets			
Debtors, prepayments and deposits	16	128,735	138,627
Amount due from a joint venture	18	9,188	9,151
Tax recoverable		4,587	1,723
Loan to a joint venture	15	-	618,562
Derivative financial instruments	23	2	-
Cash and bank balances		97,970	1,014,020
		240,482	1,782,083
Current liabilities			
Creditors and accruals	19	292,185	136,754
Derivative financial instruments	23	8	-
Rental deposits	20	220,656	211,562
Bank loans	21	5,873,910	-
Tax payable		9,896	7,180
		6,396,655	355,496
Net current (liabilities)/assets		(6,156,173)	1,426,587

Consolidated statement of financial position as at 31 March 2019 (continued)

(Expressed in Hong Kong dollars)

	Note	2019 $'000	2018 $'000
Total assets less current liabilities		31,506,036	29,235,516
Non-current liabilities			
Bank loans	21	3,211,536	5,861,721
Long term notes	22	3,085,871	3,083,668
Derivative financial instruments	23	41,767	51,878
Deferred tax liabilities	9(c)	342,461	329,239
Provision for performance fee	24	2,147,000	1,437,000
		8,828,635	10,763,506
NET ASSETS		22,677,401	18,472,010
CAPITAL AND RESERVES			
Contributed equity	25	1,629,797	1,629,797
Hedging reserve	26	(28,981)	50,538
Retained earnings		21,076,585	16,791,675
TOTAL EQUITY		22,677,401	18,472,010

Approved and authorised for issue by the Board of Directors on 14 JUN 2019

) Directors

The notes on pages 11 to 49 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2019

(Expressed in Hong Kong dollars)

	Note	Contributed equity (note 25(a)) $'000	Hedging reserve (note 26) $'000	Retained earnings $'000	Total $'000
Balance at 1 April 2017		1,629,797	1,501	14,493,961	16,125,259
Changes in equity in 2017/2018:					
Profit for the year		-	-	2,964,519	2,964,519
Other comprehensive income	10	-	49,037	-	49,037
Total comprehensive income		-	49,037	2,964,519	3,013,556
Dividends approved during the year	25(b)(i) & 25(b)(ii)	-	-	(666,805)	(666,805)
		-	-	(666,805)	(666,805)
Balance at 31 March 2018 and 1 April 2018		1,629,797	50,538	16,791,675	18,472,010
Changes in equity in 2018/2019:					
Profit for the year		-	-	5,064,570	5,064,570
Other comprehensive income	10	-	(79,519)	-	(79,519)
Total comprehensive income		-	(79,519)	5,064,570	4,985,051
Dividends approved during the year	25(b)(i) & 25(b)(ii)	-	-	(779,660)	(779,660)
		-	-	(779,660)	(779,660)
Balance at 31 March 2019		1,629,797	(28,981)	21,076,585	22,677,401

The notes on pages 11 to 49 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2019

(Expressed in Hong Kong dollars)

	Note	2019 $'000	2018 $'000
Profit before taxation		5,150,142	3,028,849
Adjustments for:			
Depreciation	8	321	-
Interest income		(38,994)	(48,307)
Finance costs	7	399,541	333,284
Increase in fair value of investment properties	12	(4,462,822)	(1,702,338)
Fair value (gain)/loss on derivative financial instruments	6	(76,377)	78,065
Share of profits of joint ventures	14	(993,961)	(1,449,832)
Amortisation of leasing costs	5	19,550	17,791
Provision for performance fee	24	710,000	414,000
Changes in working capital:			
Increase in amount due from a joint venture		(37)	-
Decrease/(increase) in debtors, prepayments and deposits		9,892	(18,134)
Increase in creditors and accruals		37,299	5,422
Increase in rental deposits		9,094	22,439
Cash generated from operations		765,648	681,239
Hong Kong Profits Tax paid		(58,592)	(58,161)
Net cash generated from operating activities		707,056	623,078
Investing activities			
Decrease/(increase) in deposits with original maturity over 3 months		980,000	(580,000)
Payment for additions to property, plant and equipment		(4,814)	-
Payment for additions to investment properties		(90,643)	(70,050)
Payment for additions to investment properties under development		(4,187,919)	(45,163)
Dividends received from joint ventures	14	553,060	335,810
Interest received		38,994	47,276
Net cash used in investing activities		(2,713,322)	(312,127)

Consolidated cash flow statement for the year ended 31 March 2019 (continued)

(Expressed in Hong Kong dollars)

	Note	2019 $'000	2018 $'000
Financing activities			
Borrowing costs paid	17	(522,732)	(354,344)
Drawdown of bank loans	17	3,246,000	-
Dividends paid		(653,052)	(666,805)
Net cash generated from/(used in) financing activities		2,070,216	(1,021,149)
Net increase/(decrease) in cash and cash equivalents		63,950	(710,198)
Cash and cash equivalents at 1 April		34,020	744,218
Cash and cash equivalents at 31 March		97,970	34,020

Cash and cash equivalents comprise:

	2019 $'000	2018 $'000
Deposits with banks	-	980,000
Cash at bank and in hand	97,970	34,020
Cash and bank balances in the consolidated statement of financial position	97,970	1,014,020
Less: Deposits with banks with original maturity over 3 months	-	(980,000)
Cash and cash equivalents in the consolidated cash flow statement	97,970	34,020

The notes on pages 11 to 49 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General

Goodman Hong Kong Logistics Fund ("GHKLF") was established in the Cayman Islands on 25 October 2005. The principal activities of GHKLF and its subsidiaries are to own, develop and invest in a diversified portfolio of logistics and warehouse properties located in Hong Kong, with the objective of providing long-term investment opportunity and delivering stable income-driven returns to GHKLF's shareholders. The address of the registered office of GHKLF is PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The particulars of the principal subsidiaries and joint ventures of GHKLF as at 31 March 2019 are set out in notes 28 and 14 respectively.

2 Significant accounting policies

(a) *Statement of compliance*

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by GHKLF is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of GHKLF. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to GHKLF for the current and prior accounting periods reflected in these financial statements.

(b) *Basis of preparation of the financial statements*

The consolidated financial statements for the year ended 31 March 2019 comprise the Fund and its subsidiaries (together referred to as the Group) and the Group's interest in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for the investment properties, investment properties under development and derivative financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 Significant accounting policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As at 31 March 2019, GHKLF had net current liabilities of $6,156,173,000, which includes bank loans amounting to $5,873,910,000 which were due for repayment within the next 12 months. Details of the bank loans are set out in note 21.

The Directors are confident that sufficient refinancing will be available to GHKLF from its lenders to finance its operations and accordingly, the Directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of GHKLF and all of its subsidiaries and the Fund's interest in joint ventures up to 31 March each year. The results of subsidiaries and the Fund's interest in joint ventures acquired or disposed of during the year are included in the consolidated statement of profit or loss from or to the date of their acquisition or disposal, as appropriate. All material intra-group transactions and balances are eliminated in full on consolidation for subsidiaries and to the extent of the Fund's interest in the joint ventures, respectively.

(d) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

(i) HKFRS 9, *Financial instruments*

(ii) HKFRS 15, Revenue from contracts with customers

The Group has not applied any new standards or interpretations that are not yet effective for the current accounting year (Note 30).

(i) **HKFRS 9, *Financial instruments***

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

2 Significant accounting policies (continued)

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes in notes 2(f), (h), (k) and (l).

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 April 2018.

b. Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including loan to a joint venture, cash and bank balances, amount due from a joint venture and debtors, prepayments and deposits).

For further details on the Group's accounting policy for accounting for credit losses, see note 2(l).

c. Hedge accounting

The Group has elected to adopt the new general hedge accounting model in HKFRS 9. Depending on the complexity of the hedge, this new accounting model allows a more qualitative approach to assessing hedge effectiveness compared to HKAS 39 to be applied, and the assessment is always forward-looking. The adoption of HKFRS 9 has not had a significant impact on the Group's financial statements in this regard.

For an explanation of how the Group applies hedge accounting, see note 2(i).

2 Significant accounting policies (continued)

d. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for 2018 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

- The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 April 2018 (the date of initial application of HKFRS 9 by the Group):

- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

- All hedging relationships designated under HKAS 39 at 31 March 2018 met the criteria for hedge accounting under HKFRS 9 at 1 April 2018 and are therefore regarded as continuing hedging relationships. Changes to hedge accounting policies have been applied prospectively.

(ii) **HKFRS 15, *Revenue from contract with customers***

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from rendering of services.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The adoption of HKFRS 15 has no significant financial impact on the Group's financial statements.

2 Significant accounting policies (continued)

(e) Subsidiaries

Subsidiaries are entities controlled by GHKLF. GHKLF controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether GHKLF has power, only substantive rights (held by GHKLF and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When GHKLF loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

(f) Joint ventures

A joint venture is an arrangement whereby GHKLF and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of GHKLF's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in GHKLF's share of the investee's net assets and any impairment loss relating to the investment (refer to note 2(k)). Any acquisition-date excess over cost, GHKLF's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas GHKLF's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When GHKLF's share of losses exceeds its interest in the joint venture, GHKLF's interest is reduced to nil and recognition of further losses is discontinued except to the extent that GHKLF has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, GHKLF's interest is the carrying amount of the investment under the equity method together with GHKLF's long-term interests that in substance form part of GHKLF's net investment in the joint venture.

2 Significant accounting policies (continued)

Unrealised profits and losses resulting from transactions between GHKLF and its joint ventures are eliminated to the extent of GHKLF's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when GHKLF ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, using the straight line method over their estimated useful lives as follows:

- Fixtures — 5 years

The useful life of an asset is reviewed annually.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. 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. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 Significant accounting policies (continued)

(h) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit and loss, except where the derivatives qualify as hedges of net investment in foreign operations, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(i)).

(i) Hedging - cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and variable rate borrowings (cash flow hedges). The hedge accounting policy applied from 1 April 2018 is similar to that applicable prior to 1 April 2018. However, under the new hedge accounting policy, depending on the complexity of the hedge, the Group applies a more qualitative approach to assessing hedge effectiveness, and the assessment is always forward-looking.

Where a derivative financial instrument is designated as a hedge instrument in a cash flow hedge, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

2 Significant accounting policies (continued)

(j) Investment properties

Investment properties are defined as properties that are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include property interests held under operating leases, land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated in the consolidated statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(s)(i).

Investment properties under development includes investment properties that is being redeveloped. Property under development for future use as an investment property is measured at fair value at the end of each reporting period.

(k) Impairment of interests in joint ventures

The carrying amount of interests in joint ventures is reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less cost of disposal and value in use. 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.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2 Significant accounting policies (continued)

(l) Debtors, prepayments and deposits

Debtors, prepayments and deposits are recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Debtors, prepayments and deposits are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

(A) Policy applicable from 1 April 2018

The loss allowance for a trade debtor is measured at an amount equal to lifetime ECLs, which are those losses that are expected to occur over the expected life of the trade debtors. The loss allowance is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(B) Policy applicable prior to 1 April 2018

Receivables that are stated at cost or amortised cost are reviewed at end of each reporting period to determine whether there is objective evidence of impairment. The impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the receivable's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 Significant accounting policies (continued)

(m) Cash and cash equivalents

GHKLF defines cash and cash equivalents as cash at bank and on hand, and demand deposits with banks and other financial institutions.

(n) Creditors and accruals

Creditors and accruals are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings, using the effective interest method.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 Significant accounting policies (continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(j), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if GHKLF has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, GHKLF intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of reporting period. Exchange differences on foreign currency translation are recognised in profit or loss.

2 Significant accounting policies (continued)

(r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when GHKLF has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue and other income

Income is classified by the Group's as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when service is transferred to the customer or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Rental income under operating leases

Rental income under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, 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 in profit or loss on a systematic basis as an integral part of the aggregate net lease payments receivable.

(ii) Management fee income

Management fee income is recognised when the related services are provided.

(iii) Car park income

Car park income is recognised when the related services are provided.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

2 Significant accounting policies (continued)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Related parties

(a) A person, or a close member of that person's family, is related to GHKLF if that person:

- (i) has control or joint control over GHKLF;
- (ii) has significant influence over GHKLF; or
- (iii) is a member of the key management personnel of GHKLF or GHKLF's parent.

(b) An entity is related to GHKLF if any of the following conditions applies:

- (i) The entity and GHKLF are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either GHKLF or an entity related to GHKLF.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of GHKLF of which it is a part, provides key management personnel services to GHKLF or to GHKLF's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Accounting judgements and estimates

The methods, judgements and estimates the directors used in applying GHKLF's accounting policies have a significant impact on GHKLF's financial position and operating results. Some of the accounting policies require GHKLF to apply judgements and estimates, on matters that are inherently uncertain. The critical accounting judgements in applying GHKLF's accounting policies are described below.

Note 27 contains information about the assumptions and their risk factors relating to financial instruments. Other accounting estimates and judgements made by management are as follows:

Valuation of investment properties

Investment properties are included in the statement of financial position at their open market value, which is assessed annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary potential, discounted cash flows and market transaction price. The assumptions adopted in the property valuation are based on the market conditions existing at the end of the reporting period, with reference to current market rental and the appropriate capitalisation rate. Any change in assumptions of the valuation would affect the value of the investment properties significantly, and profit or loss in future years.

Valuation of investment properties under development

External valuations are generally not performed for investment properties under development, but instead valuations are determined using the feasibility studies supporting the developments. The end values of the developments in the feasibility studies are based on assumptions to determine capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market adjusted for a profit and risk factor. The profit and risk factor is dependent on the function, location and size of the development. Any change in assumptions of the valuation would affect the value of the investment properties under development significantly, and profit or loss in future years.

Recognition of deferred tax assets

Deferred tax assets arising from unused tax losses and deductible temporary differences, to the extent that these are expected to reverse, are recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and temporary differences can be utilised. The recognition of deferred tax assets therefore requires GHKLF to make significant judgements regarding its future financial performance, the amount of future taxable profits that will be available and an assessment as to whether the relevant deductible temporary differences will reverse based on prevailing tax regulations.

4 Revenue

The principal activities of GHKLF are the holding and development of logistics and warehouse properties for long-term investment.

	2019	*2018*
	$'000	$'000
Under the scope of HKAS 17, *Leases*:		
Rental income	800,667	754,853
Under the scope of HKFRS 15, *Revenue from contracts with customers*:		
Management fee	92,589	88,500
Car park income	44,222	42,340
	937,478	885,693

5 Property operating expenses

	2019	*2018*
	$'000	$'000
Management fees payable under Deed of Mutual Covenant	46,861	55,893
Property service fees payable to GPS Hong Kong Limited (GPS) [1]	26,297	25,222
Building supervision fees payable to GPS [1]	428	798
Other fees payable to GPS [1]	1,544	1,505
Manager's remuneration reimbursed from GPS [1]	(5,005)	(5,571)
Staff costs	4,731	10,167
Government rent and rates	2,300	2,956
Amortisation of leasing costs [2]	19,550	17,791
Repairs and maintenance	7,428	5,843
Electricity and water charges	2,997	3,286
Insurance costs	1,640	1,615
Facility management fee	1,388	-
Security service fee	9,294	3,094
Other expenses	3,377	1,736
	122,830	124,335

[1] The ultimate holding company of GPS is Goodman Logistics (HK) Limited, a company registered in Hong Kong. Goodman Logistics (HK) Limited is part of Goodman Group, which is listed on the Australian Securities Exchange. Goodman Group holds 20% equity interests in GHKLF.

[2] Included in amortisation of leasing costs is an amount of $14,491,000 (2018: $12,362,000) in relation to amortisation of leasing costs paid and payable to GPS.

6 Other net gain/(loss)

	2019 $'000	2018 $'000
Fair value gain/(loss) on derivative financial instruments[1]	76,377	(78,065)
Others	401	398
	76,778	(77,667)

[1] The amount represents the fair value movements on derivative financial instruments whereby no hedging relationship has been designated for hedge accounting purposes.

7 Finance costs

	2019 $'000	2018 $'000
Interest paid on bank loans and long term notes	474,260	350,454
Other borrowing costs	33,267	17,988
	507,527	368,442
Less: interest expenses capitalised[1] (note 17)	(107,986)	(35,158)
	399,541	333,284

[1] The borrowing costs have been capitalised to investment properties under development during the year at a rate of 4.2% per annum (2018: 3.8%).

8 Profit before taxation

Profit before taxation is arrived at after charging:

	2019 $'000	2018 $'000
Depreciation (note 11)	321	-
Fund management fees	120,110	102,774
Provision for performance fee (note 24)	710,000	414,000
Funds services fee	69	67
Auditor's remuneration	1,195	1,014

Fund management fees, performance fee and funds services fee are paid and payable to GFM Hong Kong Limited ("GFM"), based on the Services Agreement. The ultimate holding company of GFM is Goodman Logistics (HK) Limited, a company registered in Hong Kong. Goodman Logistics (HK) Limited is part of Goodman Group, which is listed on the Australian Securities Exchange. Goodman Group holds 20% equity interests in GHKLF.

9 Taxation

(a) *Taxation charged to profit or loss*

	2019 $'000	2018 $'000
Current tax - Hong Kong Profits Tax		
Provision for the year	58,158	53,092
Under-provision in respect of prior years	286	2,449
	58,444	55,541
Deferred tax		
Other temporary differences	27,128	8,789
	85,572	64,330

The provision for Hong Kong Profits Tax for 2019 is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year.

(b) *Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates*

	2019 $'000	2018 $'000
Profit before taxation	5,150,142	3,028,849
Notional tax on profit before taxation, calculated at the rate of 16.5%	849,773	499,760
Tax effect of non-taxable income	(900,481)	(521,955)
Tax effect of non-deductible expenses	117,804	68,266
Tax effect of unused tax losses not recognised	18,138	15,806
Under-provision in respect of prior years	286	2,449
Others	52	4
Actual tax expense	85,572	64,330

9 Taxation (continued)

(c) Deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Capital allowances claimed $'000	*Tax benefit attributable to tax loss* $'000	*Cash flow hedges* $'000	*Fair value of derivative financial instruments* $'000	*Total* $'000
As at 1 April 2017	313,335	(2,600)	164	1,375	312,274
Charged/(credited) to profit or loss	19,829	1,840	-	(12,880)	8,789
Charged to other comprehensive income	-	-	8,176	-	8,176
As at 31 March 2018	333,164	(760)	8,340	(11,505)	329,239

	Capital allowances claimed $'000	*Tax benefit attributable to tax loss* $'000	*Cash flow hedges* $'000	*Fair value of derivative financial instruments* $'000	*Total* $'000
As at 1 April 2018	333,164	(760)	8,340	(11,505)	329,239
Charged/(credited) to profit or loss[1]	20,485	(5,959)	-	12,602	27,128
Credited to other comprehensive income	-	-	(13,906)	-	(13,906)
As at 31 March 2019	353,649	(6,719)	(5,566)	1,097	342,461

[1] The balance included the reversal of provision in relation to a disposal of a subsidiary in prior years.

10 Other comprehensive income

Tax effects relating to each component of other comprehensive income

	2019			2018		
	Before-tax amount $'000	*Tax expense* $'000	*Net-of-tax amount* $'000	*Before-tax amount* $'000	*Tax expense* $'000	*Net-of-tax amount* $'000
Cash flow hedge:						
– Effective portion of changes in fair value of hedging instruments recognised during the year	(95,442)	15,748	(79,694)	31,424	(5,185)	26,239
– Transfer from equity to profit or loss	11,164	(1,842)	9,322	18,132	(2,991)	15,141
	(84,278)	13,906	(70,372)	49,556	(8,176)	41,380
Share of other comprehensive income of a joint venture (note 14)	(10,954)	1,807	(9,147)	9,170	(1,513)	7,657
	(95,232)	15,713	(79,519)	58,726	(9,689)	49,037

11 Property, plant and equipment

	Fixtures $'000
Cost:	
At 1 April 2018	-
Additions	4,814
At 31 March 2019	4,814
Accumulated depreciation:	
At 1 April 2018	-
Charge for the year	321
As at 31 March 2019	321
Net book value:	
As at 31 March 2019	4,493
As at 31 March 2018	-

12 Investment properties

	2019 $'000	*2018* $'000
Valuation		
As at 1 April	16,951,930	15,196,882
Other additions	50,687	48,288
Leasing costs, less amortisation	10,262	4,422
Increase in fair value	4,462,822	1,702,338
As at 31 March	21,475,701	16,951,930

(a) GHKLF leases out investment properties under operating leases, which run for an initial period of between three months and twenty years. On expiry, the terms are renegotiated. None of the leases include contingent rentals.

All the investment properties of GHKLF were held for use under operating leases as at 31 March 2019.

12 Investment properties (continued)

(b) GHKLF's investment properties were revalued as at 31 March 2019 by independent firms of surveyors who have staffs with recent experience in the location and category of properties being valued. Details of the valuers are as follows:

Name of valuer	*Qualification of the staff of the valuer conducting the valuation*
Colliers International (Hong Kong) Limited	Member of the Hong Kong Institute of Surveyors
Cushman & Wakefield Limited	Member of the Hong Kong Institute of Surveyors
Jones Lang LaSalle Limited	Member of the Hong Kong Institute of Surveyors

The fair value measurement of GHKLF's investment properties falls under Level 3 of the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*, as it uses significant unobservable assumptions based on the opinion of the independent third party external valuers. Information about the fair value measurements are as follows:

	Valuation techniques	*Unobservable input*	*Weighted average*	
			2019	*2018*
Investment properties: – In Hong Kong	Income capitalisation approach	Market monthly net rental (HK$/sq ft)	11.7	10.7
		Capitalisation rate	4.0%	4.6%
	Discounted cash flow	Risk-adjusted discount rate	7.3%	7.8%
		Expected market rental growth	3.4%	3.4%
		Expected occupancy rate	96.5%	97.2%

12 Investment properties (continued)

The fair value of all of GHKLF's investment properties is determined using the income capitalisation and discounted cash flow approaches with reference to direct market comparables.

Under the income capitalisation approach, the fair value of investment properties is valued on a market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuation takes into account expected market rental growth. The fair value measurement is positively correlated to the market monthly rental and negatively correlated to the capitalisation rate.

Under discounted cash flow analysis, the fair value of investment properties is valued by discounting projected cash flow series associated with the properties using risk-adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rate of the respective properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value measurement is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the risk-adjusted discount rates.

GHKLF's management has reviewed the results of the valuations performed by the independent valuers for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of the property valuations.

(c) GHKLF's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	2019 $'000	*2018* $'000
Within one year	771,625	753,988
After one year but within five years	1,487,378	1,270,365
After five years	865,838	527,438
	3,124,841	2,551,791

(d) As at 31 March 2019, the investment properties are held in Hong Kong under medium-term leases.

13 Investment properties under development

	2019 $'000	2018 $'000
As at 1 April	1,108,775	1,050,654
Additions	4,295,905	58,121
As at 31 March	5,404,680	1,108,775

Fair value measurement of investment properties under development

The fair value measurement of investment properties under development is categorised into Level 3 of the fair value hierarchy.

The fair value is determined using GHKLF's feasibility studies based on assumptions about expected rental income, capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market adjusted for a profit and risk factor. The profit and risk factor is dependent on the function, location and size of the development. The fair value measurement is positively correlated to the expected rental income and negatively correlated to the capitalisation rates and profit and risk factor. The significant unobservable inputs used by GHKLF are summarised as follows:

Unobservable input	*Weighted average 2019*	*Weighted average 2018*
Expected monthly net rental (HK$/sq.ft.)	23.1	13.6
Capitalisation rate	4.3%	4.5%
Profit and risk factor	24%	20%

14 Interests in joint ventures

	2019 $'000	2018 $'000
Share of net assets	10,123,524	9,694,969
As at 1 April	9,694,969	8,573,290
Share of profits	993,961	1,449,832
Reversal of prior year over-provisions[1]	(3,199)	-
Share of other comprehensive income (note 10)	(9,147)	7,657
Dividends received	(553,060)	(335,810)
As at 31 March	10,123,524	9,694,969

[1] The balance represented the reversal of over-provisions of professional fees capitalised from prior years.

14 Interests in joint ventures (continued)

Details of GHKLF's interests in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of company	*Place of incorporation*	*GHKLF's effective interest %*	*Principal activities*
Goodman Interlink Limited	Cayman Islands	50	Holding of logistics and warehouse properties for leasing
Goodman DP World Hong Kong Limited ("Goodman DP World")	Hong Kong	75	Investment holding and provision of management services
Major principal entities held by Goodman DP World:			
CSX World Terminals Hong Kong Limited ("CT3") 環球貨櫃碼頭香港有限公司	Hong Kong	50	Terminal operations at Berth 3 Kwai Chung Container Terminal
ATL Logistics Centre Hong Kong Limited ("ATL") 亞洲貨櫃物流中心香港有限公司	Hong Kong	25.5	Management of a container terminal complex

14 Interests in joint ventures (continued)

Summarised financial information of the joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated statement of financial position, are disclosed below:

	Goodman Interlink Limited		*Goodman DP World* [1]	
	2019	*2018*	*2019*	*2018*
	$'000	$'000	$'000	$'000
Gross amounts of the joint ventures				
Non-current assets	10,292,264	9,824,620	13,330,684	12,517,932
Current assets	82,129	86,256	136,004	141,013
Current liabilities	(96,804)	(1,333,247)	(82,342)	(107,993)
Non-current liabilities	(3,389,966)	(1,713,046)	(25,421)	(26,392)
Equity	6,887,623	6,864,583	13,358,925	12,524,560
Included in the above assets and liabilities:				
Cash and cash equivalents	34,297	42,098	67,627	53,119
Non-current financial liabilities (excluding trade and other payables and provisions)	(2,023,559)	(1,596,185)	-	-
Revenue	436,173	406,731	343,263	463,179
Profit from continuing operations attributable to:				
– equity shareholders	950,204	1,905,141	891,812	663,015
– non-controlling interests	-	-	444,110	332,669
Total comprehensive income attributable to:				
– equity shareholders	931,910	1,920,455	891,812	663,015
– non-controlling interests	-	-	444,110	332,669
Dividend received from the joint ventures	304,436	91,985	248,625	243,825
Included in the above profit:				
Depreciation	-	-	(97,677)	(71,910)
Finance costs	(126,037)	(122,332)	(45)	(62)
Taxation	(35,917)	(33,975)	(9,942)	(13,792)
Reconciled to GHKLF's interests in joint ventures				
Gross amounts of joint ventures' net assets	6,887,623	6,864,583	13,358,925	12,524,560
Gross amounts of joint ventures' non-controlling interests	-	-	4,452,641	4,174,324
GHKLF's effective interest	50%	50%	75%	75%
GHKLF's share of joint ventures' net assets	3,443,811	3,432,292	6,679,713	6,262,677
Carrying amount in the consolidated financial statements	3,443,811	3,432,292	6,679,713	6,262,677

[1] The financial results of Goodman DP World are prepared on a consolidated basis.

15 Loan to a joint venture

At 31 March 2019, loan to a joint venture, Goodman Interlink Limited ("GIL") is unsecured, interest-bearing at market rates, and is recoverable on the earlier date of the disposal of the investment property of GIL or the prepayment by GIL by giving 20 business days notice and have been classified as non-current assets as such loan is not expected to be repaid within one year from the end of the reporting period. At 31 March 2018, the loan was unsecured, interest-bearing at market rates, and was recoverable on the earlier date of the disposal of the investment property of Goodman Interlink Limited or 3 November 2018.

During the year, interest income of $37,114,000 (2018: $37,114,000) was received and receivable from GIL.

16 Debtors, prepayments and deposits

	2019	*2018*
	$'000	$'000
Trade debtors	2,210	4,022
Deposits, prepayments and other debtors	126,525	134,605
	128,735	138,627

At 31 March 2019 and 2018, none of the trade debtors were past due.

The amount of GHKLF's deposits, prepayments and other debtors expected to be recovered or recognised as expense after more than one year is $6,260,000 (2018: $6,758,000). The remaining balance of trade debtors, deposits, prepayments and other debtors is expected to be recovered or recognised as expense within one year from the end of the reporting period.

Further details on the GHKLF's credit policy and credit risk arising from trade debtors are set out in note 27(a).

17 Cash and cash equivalents and other cash flow information

Reconciliation of liabilities arising from financial activities

The table below details changes in GHKLF's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in GHKLF's consolidated cash flow statement as cash flows from financing activities.

17 Cash and cash equivalents and other cash flow information (continued)

	Bank loans (note 21) $'000	*Other payables* (note 19) $'000	*Long term notes* (note 22) $'000	*Derivative financial instruments* (note 23) $'000	*Total* $'000
At 1 April 2018	5,861,721	21,116	3,083,668	(1,377)	8,965,128
Change from financing cash flows:					
Borrowing costs paid	(51,585)	(469,393)	(1,754)	-	(522,732)
Drawdown of bank loans	3,246,000	-	-	-	3,246,000
Total change from financing cash flows	3,194,415	(469,393)	(1,754)	-	2,723,268
Changes in fair value recognised in profit and loss	-	-	-	(76,377)	(76,377)
Changes in fair value recognised in other comprehensive income	-	-	-	84,278	84,278
Other changes:					
Amortisation of borrowing costs (note 7)	23,074	-	3,115	-	26,189
Interest expenses (note 7)	-	373,352	-	-	373,352
Capitalised borrowing costs (note 7)	6,236	100,908	842	-	107,986
Total other changes	29,310	474,260	3,957	-	507,527
At 31 March 2019	9,085,446	25,983	3,085,871	6,524	12,203,824

17 Cash and cash equivalents and other cash flow information (continued)

	Bank loans (note 21) $'000	*Other payables* (note 19) $'000	*Long term notes* (note 22) $'000	*Derivative financial instruments* (note 23) $'000	*Total* $'000
At 1 April 2017	5,851,035	21,070	3,080,302	(29,886)	8,922,521
Change from financing cash flows:					
Borrowing costs paid	(3,390)	(350,408)	(546)	-	(354,344)
Total change from financing cash flows	(3,390)	(350,408)	(546)	-	(354,344)
Changes in fair value recognised in profit and loss	-	-	-	78,065	78,065
Changes in fair value recognised in other comprehensive income	-	-	-	(49,556)	(49,556)
Other changes:					
Amortisation of borrowing costs (note 7)	12,733	-	3,538	-	16,271
Interest expenses (note 7)	-	317,013	-	-	317,013
Capitalised borrowing costs (note 7)	1,343	33,441	374	-	35,158
Total other changes	14,076	350,454	3,912	-	368,442
At 31 March 2018	5,861,721	21,116	3,083,668	(1,377)	8,965,128

18 Amount due from a joint venture

Amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

19 Creditors and accruals

Included in creditors and accruals are amounts payable to:

	2019 $'000	2018 $'000
GFM	31,715	67
GPS	3,420	2,956

The above balances are unsecured, interest-free and have no fixed terms of repayment.

All of the creditors and accruals are expected to be settled within one year from the end of the reporting period or are repayable on demand. Included in creditors and accruals are other payables of $25,983,000 (2018: $21,116,000), which mainly consists of interest payable.

20 Rental deposits

Rental deposits include an amount of $170,492,000 (2018: $159,652,000) which is expected to be settled after one year from the end of the reporting period.

21 Bank loans

As at 31 March 2019, the bank loans were repayable as follows:

	2019 $'000	2018 $'000
Non-current		
After one year but within five years	3,246,000	5,877,500
Less: unamortised transaction costs	(34,464)	(15,779)
	3,211,536	5,861,721
Current		
Within one year	5,877,500	-
Less: unamortised transaction costs	(3,590)	-
	5,873,910	-
Representing		
Unsecured bank loan	3,246,000	-
Subordinated bank loan	5,877,500	5,877,500
Less: unamortised transaction costs	(38,054)	(15,779)
	9,085,446	5,861,721

21 Bank loans (continued)

(a) At 31 March 2019, Goodman HK Finance ("GHKF"), a wholly owned subsidiary of GHKLF, entered into banking facilities of $9,000,000,000 (2018: $2,000,000,000). The facilities are guaranteed by GHKLF and a subsidiary of GHKLF, Goodman HK Investments. The facilities were utilised to the extent of $3,246,000,000 (2018: $nil).

(b) The banking facilities as at 31 March 2019 and 2018 are subject to the compliance of covenants relating to certain of GHKLF's financial ratios, as are commonly found in lending arrangements with financial institutions. If GHKLF were to breach the covenants and fail to rectify a breach, the drawn facilities would become payable on demand. GHKLF regularly monitors its compliance with these covenants. As at 31 March 2019, none of the covenants relating to drawn facilities had been breached or forecast to be breached.

(c) The repayment of the subordinated bank loan is subordinated to that of other bank loans and long term notes (note 22).

(d) The interest rates related to bank loans in aggregate as at 31 March 2019 and 2018 were HIBOR plus market margins per annum.

(e) The fair value of GHKLF's borrowings approximates their carrying amount.

22 Long term notes

	2019 $'000	*2018* $'000
Long term notes	3,101,200	3,101,200
Less: unamortised transaction costs	(15,329)	(17,532)
	3,085,871	3,083,668

On 20 June 2014, GHKF established United States Dollars ("US$") 2,000,000,000 Euro Medium Term Note Programme and issued unsecured long term notes of US$400,000,000 at face value. The coupon rate of the notes is 4.375% per annum and interest is payable semi-annually. The notes are repayable on 19 June 2024 and are unconditionally and irrevocably guaranteed on a joint and several basis by GHKLF and its subsidiary, Goodman HK Investments. Cross currency swaps were entered into with four banks on 20 June 2014 to effectively convert the fixed rate long term notes into Hong Kong Dollar ("HK$") floating rate liability of $3,101,200,000.

23 Derivative financial instruments

The fair value of derivative financial assets/(liabilities) as at 31 March 2019 is set out below:

	2019 $'000	2018 $'000
Interest rate swaps classified as cash flow hedges		
Expiring within one year	(8)	-
Expiring after one year	(29,969)	17,208
	(29,977)	17,208
Future swaps		
Expiring after one year	(3,755)	33,338
Cross currency swaps		
Expiring after one year	27,206	(50,745)
Interest rate caps		
Expiring within one year	2	-
Expiring after one year	-	1,576
	2	1,576
	(6,524)	1,377

The derivative financial instruments are classified on the consolidated statement of financial position as follows:

	2019 $'000	2018 $'000
Non-current assets	35,249	53,255
Current assets	2	-
Current liabilities	(8)	-
Non-current liabilities	(41,767)	(51,878)
	(6,524)	1,377

23 Derivative financial instruments (continued)

Interest rate swaps classified as cash flow hedges

Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposure consistent with GHKLF's policy. The "receive-floating-pay-fixed" swaps mature over the next one to five years. As at 31 March 2019, GHKLF had interest rate swaps with a notional contract amount of $3,050,000,000 (2018: $1,250,000,000) which have been designated as cash flow hedges against the interest rate risk inherent in its floating rate bank borrowings.

Future swaps

As at 31 March 2019, GHKLF holds certain "receive-floating-pay-fixed" interest rate swaps that are classified as future swaps. The swaps mature over the next six years with a notional contract amount of $1,300,000,000 (2018: $1,400,000,000).

Cross currency swaps

GHKLF holds certain cross currency swaps which convert the US$ denominated fixed rate notes into HK$ denominated floating rate liability as at 31 March 2019. The swaps mature on 19 June 2024 with a notional contract amount of $3,101,200,000 (2018: $3,101,200,000).

Interest rate caps

GHKLF also holds certain interest rate caps as at 31 March 2019. The caps mature over next year with a notional amount of $800,000,000 (2018: $800,000,000).

Valuation

The above derivatives are measured at fair value at the end of the reporting period on a recurring basis, using quoted prices in active markets for similar financial instruments and are categorised into Level 2 of the HKFRS 13 fair value hierarchy. The fair value of interest rate swaps, future swaps, cross currency swaps and interest rate caps are the estimated amount that GHKLF would receive or pay to terminate the swaps and caps at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap and cap counterparties.

24 Provision for performance fee

Pursuant to the Services Agreement dated 18 December 2012 (the "Agreement"), a performance fee is payable by GHKLF to GFM if GHKLF's portfolio return over the period from 1 January 2013 to 31 March 2020 exceeds certain hurdles. As at 31 March 2019, GHKLF has made provision of $2,147,000,000 (2018: $1,437,000,000) representing the estimated performance fee of $2,379,000,000 (2018: $1,745,000,000) based on the cumulative portfolio return up to 31 March 2019, discounted by a risk adjusted rate. The actual fee amount payable, if any, will be determined as at 31 March 2020 based on the cumulative portfolio return for the seven year period then ended, or earlier in the event GHKLF is wound-up, the Service Providers (as defined in the Agreement) resign or are replaced in accordance with the Agreement.

25 Contributed equity

(a) Contributed equity

	2019 $'000	*2018* $'000
Share capital	309,342	309,342
Share premium	1,371,744	1,371,744
	1,681,086	1,681,086
Less: Issuing costs	(51,289)	(51,289)
	1,629,797	1,629,797

Details of share capital of GHKLF are as follows:

	2019 *No. of shares*	$'000	*2018* *No. of shares*	$'000
Authorised:				
100,000,000,000 shares of $0.05 each		5,000,000		5,000,000
Issued and fully paid:				
As at 1 April and 31 March	6,186,841,940	309,342	6,186,841,940	309,342

25 Contributed equity (continued)

(b) Dividends

(i) Dividends paid to equity shareholders of GHKLF attributable to the year:

	2019 $'000	2018 $'000
Interim dividends of $0.1047 (2018: $0.0884) per share declared during the year	647,698	546,700
Interim dividends of $Nil (2018: $0.0213) per share proposed after the end of the reporting period	-	131,962

(ii) Dividends paid to equity shareholders of GHKLF attributable to the previous financial year, approved and paid during the year:

	2019 $'000	2018 $'000
Interim dividends of $0.0213 (2018: $0.0194) per share	131,962	120,105

(c) Capital management

GHKLF's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

GHKLF defines "capital" as including all components of equity plus long-term notes and any loans from other group companies with no fixed terms of repayment, less unaccrued proposed dividends. Trading balances that arise as a result of trading transactions with other group companies are not regarded by GHKLF as capital.

GHKLF's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting GHKLF.

26 Hedging reserve

The hedging reserve comprises the effective position of the cumulative net change in the fair value of derivative financial instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2(i).

27 Financial risk management and fair value

Exposure to financial risks arises in the normal course of GHKLF's business.

GHKLF's exposure to these risks and the financial risk management policies and practices used by GHKLF to manage these risks are described below.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade debtors and over-the-counter derivative financial instruments entered into for hedging purposes. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Transactions involving derivative financial instruments are with counterparties with sound credit ratings and with whom the Group has signed netting agreements. Given the high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

In respect to trade debtors, the Group maintains a defined credit policy, including credit evaluation on customers and payment of a rental deposit from customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Due to the financial strength of its customers and the short duration of the trade debtors, the ECL allowance is considered insignificant.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments in the consolidated statement of financial position.

(b) *Liquidity risk*

GHKLF's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from banks in the short and longer term.

All the financial liabilities were carried at amounts not materially different from their contractual undiscounted cash outflows as at 31 March 2019 and 2018.

27 Financial risk management and fair value (continued)

The following table shows the remaining contractual maturities at the end of the reporting period of GHKLF's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date GHKLF can be required to pay:

2019

	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	*More than 1 year but less than 2 years* $'000	*More than 2 years but less than 5 years* $'000	*More than 5 years* $'000	*Total* $'000	*Carrying amount at 31 March* $'000
Creditors and accruals	292,185	-	-	-	292,185	292,185
Rental deposits	50,164	69,814	60,889	39,789	220,656	220,656
Bank loans	6,101,827	87,708	3,362,889	-	9,552,424	9,085,446
Long term notes	111,620	111,315	334,251	3,124,988	3,682,174	3,085,871
	6,555,796	268,837	3,758,029	3,164,777	13,747,439	12,684,158
Derivatives settled gross:						
Interest rate swaps held as cash flow hedges:						
– outflow	64,468	62,571	68,087	-	195,126	
– inflow	(49,487)	(47,678)	(52,573)	-	(149,738)	
Future and other swaps:						
– outflow	10,735	15,610	78,799	7,310	112,454	
– inflow	(9,773)	(14,211)	(65,139)	(5,851)	(94,974)	
	15,943	16,292	29,174	1,459	62,868	33,732
	6,571,739	285,129	3,787,203	3,166,236	13,810,307	12,717,890

27 Financial risk management and fair value (continued)

2018

	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	*More than 1 year but less than 2 years* $'000	*More than 2 years but less than 5 years* $'000	*More than 5 years* $'000	*Total* $'000	*Carrying amount at 31 March* $'000
Creditors and accruals	136,754	-	-	-	136,754	136,754
Rental deposits	51,910	47,580	80,490	31,582	211,562	211,562
Bank loans	262,497	5,997,990	-	-	6,260,487	5,881,721
Long term notes	93,949	94,206	281,846	3,215,483	3,685,484	3,063,668
	545,110	6,139,776	362,336	3,247,066	10,294,287	9,293,705
Derivatives settled gross:						
Interest rate swaps held as cash flow hedges:						
– outflow	24,265	20,566	34,379	103	79,313	
– inflow	(15,205)	(12,738)	(21,846)	(80)	(49,869)	
Future and other swaps:						
– outflow	3,669	25,224	90,169	29,849	148,911	
– inflow	(2,236)	(14,011)	(51,090)	(16,953)	(84,290)	
	10,493	19,041	51,612	12,919	94,065	(50,546)
	555,603	6,158,817	413,948	3,259,984	10,388,352	9,243,159

(c) *Interest rate risk*

GHKLF has exposure to interest rate movement for its floating rate bank loans and long term notes. GHKLF adopts a policy of reducing its exposure to interest rate risk by fixing interest rates of certain portion of bank loans and long term floating rate notes through the use of derivative financial instruments. In this regard, any change in the market interest rate does not have significant impact on the results of GHKLF. Details of derivative financial instruments of GHKLF are set out in note 23.

(d) *Foreign currency risk*

GHKLF is subject to foreign currency risk on the US$ unsecured long term notes issued on 20 June 2014. GHKLF mitigates this foreign currency risk by entering into cross currency swaps with four banks, to convert the fixed rate US$ long term notes into HK$ floating rate liability as disclosed in note 22. Apart from this, GHKLF has no significant exposure to foreign currency risk, as substantially all of its transactions are denominated in HK$.

27 Financial risk management and fair value (continued)

(e) *Fair value*

All financial instruments are carried at amounts not materially different from their fair value as at 31 March 2019 and 2018.

28 Principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results or net assets of GHKLF. The class of shares held is ordinary unless otherwise stated.

All of these subsidiaries have been consolidated into the financial statements.

Name of company	*Place of incorporation/ establishment*	*Percentage of equity attributable to GHKLF*		*Issued share capital*	*Principal activities*
		Direct %	*Indirect* %		
Castle Peak Investments No. 4 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Goodman DCC Investments Limited	Hong Kong	-	100	HK$2	Holding of logistics and warehouse properties for leasing
Goodman DCC Investments No. 2	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman FS Holdings	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman HK Finance	Cayman Islands	100	-	US$1,000	Provision of financing services
Goodman HK Investments	Cayman Islands	100	-	US$1,000	Holding of investments
Goodman Shatin Investments No. 1 Limited	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing

28 Principal subsidiaries (continued)

Name of company	Place of incorporation/ establishment	Percentage of equity attributable to GHKLF Direct %	Indirect %	Issued share capital	Principal activities
Goodman Tsuen Wan A	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman Yuen Long Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
GTWW Investment Limited	Hong Kong	-	100	HK$1	Holding of a redevelopment project
GTWW Investment No.2 Limited	Hong Kong	-	100	HK$1	Holding of a redevelopment project
GTWW Investment No.3 Limited	Hong Kong	-	100	HK$1	Holding of a redevelopment project
Liberty Bell Investments	Cayman Islands	-	100	US$1,000	Holding of investments
San On Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Texaco Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Venyu Development Company Limited	Hong Kong	-	100	HK$10,000	Holding of a redevelopment project
Westlink Investments	Cayman Islands	-	100	US$1	Holding of a development project
Yeung Uk A	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing

29 Capital commitments

Capital commitments outstanding at 31 March 2019 not provided for in the financial statements were as follows:

	2019 $'000	*2018* $'000
Contracted but not provided for	182,916	121,546
Authorised but not contracted for	35,613	19,967
	218,529	141,513

30 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 March 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
HKFRS 16, *Leases*	1 January 2019
HK(IFRIC) 23, *Uncertainty over income tax treatments*	1 January 2019
Annual Improvements to HKFRSs 2015-2017 Cycle	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's financial statements for the year ending 31 March 2020. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial statements.

KPMG

Goodman Hong Kong Logistics Fund

31 March 2018

KPMG

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Goodman Hong Kong Logistics Fund (the "Fund") set out on pages 5 to 46, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Fund as at 31 March 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund (continued)

(Incorporated in the Cayman Islands with limited liability)

Information other than the consolidated financial statements and auditor's report thereon (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund (continued)

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

KPMG

Independent auditor's report to the shareholders of Goodman Hong Kong Logistics Fund (continued)

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 JUN 2018

Consolidated statement of profit or loss for the year ended 31 March 2018

(Expressed in Hong Kong dollars)

	Note	*2018* $'000	*2017* $'000
Revenue	4	885,693	875,542
Property operating expenses	5	(124,335)	(120,447)
Net property income		761,358	755,095
Interest income		48,307	45,324
Other net loss	6	(77,667)	(146,927)
Performance fee	23	(414,000)	(1,023,000)
Administrative expenses		(108,035)	(109,662)
Finance costs	7	(333,284)	(354,672)
Share of profits of joint ventures	13	1,449,832	1,339,656
Profit before increase in fair value of investment properties		1,326,511	505,814
Increase in fair value of investment properties	11	1,702,338	1,240,133
Profit before taxation	8	3,028,849	1,745,947
Taxation	9(a)	(64,330)	(42,778)
Profit for the year		2,964,519	1,703,169

The notes on pages 12 to 46 form part of these financial statements. Details of dividends payable to equity shareholders of the Fund attributable to the profit for the year are set out in note 24(b).

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2018

(Expressed in Hong Kong dollars)

	Note	*2018* $'000	*2017* $'000
Profit for the year		2,964,519	1,703,169
Other comprehensive income (after tax)	10		
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge:			
– Net movement in the hedging reserve		41,380	36,981
– Share of other comprehensive income of a joint venture		7,657	4,748
		49,037	41,729
Total comprehensive income for the year		3,013,556	1,744,898

The notes on pages 12 to 46 form part of these financial statements.

Consolidated statement of financial position as at 31 March 2018

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Non-current assets			
Investment properties	11	16,951,930	15,196,882
Investment property under development	12	1,108,775	1,050,654
Interests in joint ventures	13	9,694,969	8,573,290
Derivative financial instruments	22	53,255	44,124
Loan to a joint venture	14	-	618,562
		27,808,929	25,483,512
Current assets			
Debtors, prepayments and deposits	15	138,627	97,262
Amount due from a joint venture	17	9,151	9,151
Tax recoverable		1,723	2,355
Loan to a joint venture	14	618,562	-
Cash and bank balances		1,014,020	1,144,218
		1,782,083	1,252,986
Current liabilities			
Creditors and accruals	18	136,754	130,835
Derivative financial instruments	22	-	3,563
Rental deposits	19	211,562	189,123
Tax payable		7,180	10,432
		355,496	333,953
Net current assets		1,426,587	919,033

Consolidated statement of financial position as at 31 March 2018 (continued)

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Total assets less current liabilities		29,235,516	26,402,545
Non-current liabilities			
Bank loans	20	5,861,721	5,851,035
Long term notes	21	3,083,668	3,080,302
Derivative financial instruments	22	51,878	10,675
Deferred tax liabilities	9(c)	329,239	312,274
Provision for performance fee	23	1,437,000	1,023,000
		10,763,506	10,277,286
NET ASSETS		18,472,010	16,125,259
CAPITAL AND RESERVES			
Contributed equity	24	1,629,797	1,629,797
Hedging reserve	25	50,538	1,501
Retained earnings		16,791,675	14,493,961
TOTAL EQUITY		18,472,010	16,125,259

Approved and authorised for issue by the Board of Directors on 15 JUN 2018

) Directors

The notes on pages 12 to 46 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2018

(Expressed in Hong Kong dollars)

	Note	*Contributed equity* (note 24(a)) $'000	*Hedging reserve* (note 25) $'000	*Retained earnings* $'000	*Total* $'000
Balance at 1 April 2016		1,629,797	(40,228)	13,430,258	15,019,827
Changes in equity in 2016/2017:					
Profit for the year		-	-	1,703,169	1,703,169
Other comprehensive income	10	-	41,729	-	41,729
Total comprehensive income		-	41,729	1,703,169	1,744,898
Dividends approved during the year	24(b)(i) &24(b)(ii)	-	-	(639,466)	(639,466)
		-	-	(639,466)	(639,466)
Balance at 31 March 2017 and 1 April 2017		1,629,797	1,501	14,493,961	16,125,259
Changes in equity in 2017/2018:					
Profit for the year		-	-	2,964,519	2,964,519
Other comprehensive income	10	-	49,037	-	49,037
Total comprehensive income		-	49,037	2,964,519	3,013,556
Dividends approved during the year	24(b)(i) &24(b)(ii)	-	-	(666,805)	(666,805)
		-	-	(666,805)	(666,805)
Balance at 31 March 2018		1,629,797	50,538	16,791,675	18,472,010

The notes on pages 12 to 46 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2018

(Expressed in Hong Kong dollars)

	Note	*2018* $'000	*2017* $'000
Profit before taxation		3,028,849	1,745,947
Adjustments for:			
Interest income		(48,307)	(45,324)
Finance costs	7	333,284	354,672
Increase in fair value of investment properties	11	(1,702,338)	(1,240,133)
Fair value loss on derivative financial instruments	6	78,065	147,358
Share of profits of joint ventures	13	(1,449,832)	(1,339,656)
Amortisation of leasing costs	5	17,791	17,628
Provision for performance fee	23	414,000	1,023,000
Changes in working capital:			
Increase in debtors, prepayments and deposits		(18,134)	(13,976)
Increase in creditors and accruals		5,422	620
Increase/(decrease) in rental deposits		22,439	(788)
Cash generated from operations		681,239	849,246
Hong Kong Profits Tax paid		(58,161)	(44,182)
Net cash generated from operating activities		623,078	805,064

Consolidated cash flow statement for the year ended 31 March 2018 (continued)

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Investing activities			
Increase in deposits with original maturity over 3 months		(580,000)	(400,000)
Payment for additions to investment properties		(70,050)	(63,593)
Payment for additions to investment property under development		(45,163)	(13,946)
Proceeds from disposal of subsidiaries		-	703,243
Dividends received from joint ventures	13	335,810	300,144
Interest received		47,276	45,401
Net cash (used in)/generated from investing activities		(312,127)	571,249
Financing activities			
Borrowing costs paid	16	(354,344)	(366,858)
Repayment of bank loans		-	(400,000)
Dividends paid	24(b)	(666,805)	(639,466)
Net cash used in financing activities		(1,021,149)	(1,406,324)
Net decrease in cash and cash equivalents		(710,198)	(230,011)
Cash and cash equivalents at 1 April		744,218	974,229
Cash and cash equivalents at 31 March		34,020	744,218

Cash and cash equivalents comprise:

	2018 $'000	2017 $'000
Deposits with banks	980,000	1,100,000
Cash at bank and in hand	34,020	44,218
Cash and bank balances in the consolidated statement of financial position	1,014,020	1,144,218
Less: Deposits with banks with original maturity over 3 months	(980,000)	(400,000)
Cash and cash equivalents in the consolidated cash flow statement	34,020	744,218

The notes on pages 12 to 46 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General

Goodman Hong Kong Logistics Fund ("GHKLF") was established in the Cayman Islands on 25 October 2005. The principal activities of GHKLF and its subsidiaries are to own, develop and invest in a diversified portfolio of logistics and warehouse properties located in Hong Kong, with the objective of providing long-term investment opportunity and delivering stable income-driven returns to GHKLF's shareholders. The address of the registered office of GHKLF is PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The particulars of the principal subsidiaries and joint ventures of GHKLF as at 31 March 2018 are set out in notes 27 and 13 respectively.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by GHKLF is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of GHKLF. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to GHKLF for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except for the investment properties, investment property under development and derivative financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 Significant accounting policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of GHKLF and all of its subsidiaries and the Fund's interest in joint ventures up to 31 March each year. The results of subsidiaries and the Fund's interest in joint ventures acquired or disposed of during the year are included in the consolidated statement of profit or loss from or to the date of their acquisition or disposal, as appropriate. All material intra-group transactions and balances are eliminated in full on consolidation for subsidiaries and to the extent of the Fund's interest in the joint ventures, respectively.

(d) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of GHKLF. None of these impact on the accounting policies of GHKLF. However, additional disclosure has been included in note 16 to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

GHKLF has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 30).

(e) Subsidiaries

Subsidiaries are entities controlled by GHKLF. GHKLF controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether GHKLF has power, only substantive rights (held by GHKLF and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When GHKLF loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

2 Significant accounting policies (continued)

(f) Joint ventures

A joint venture is an arrangement whereby GHKLF and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of GHKLF's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in GHKLF's share of the investee's net assets and any impairment loss relating to the investment (refer to note 2(j)(ii)). Any acquisition-date excess over cost, GHKLF's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas GHKLF's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When GHKLF's share of losses exceeds its interest in the joint venture, GHKLF's interest is reduced to nil and recognition of further losses is discontinued except to the extent that GHKLF has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, GHKLF's interest is the carrying amount of the investment under the equity method together with GHKLF's long-term interests that in substance form part of GHKLF's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between GHKLF and its joint ventures are eliminated to the extent of GHKLF's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when GHKLF ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (refer to note 2(h)).

2 Significant accounting policies (continued)

(h) Hedging - cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the Fund revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

(i) Investment properties

Investment properties are defined as properties that are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include property interests held under operating leases, land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated in the consolidated statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(r)(i).

Investment property under development includes investment property that is being redeveloped. Property under development for future use as an investment property is measured at fair value at the end of each reporting period.

2 Significant accounting policies (continued)

(j) *Impairment of assets*

(i) Impairment of receivables

Receivables that are stated at cost or amortised cost are reviewed at end of each reporting period to determine whether there is objective evidence of impairment. The impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the receivable's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

(ii) Impairment of interests in joint ventures

The carrying amount of interests in joint ventures is reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less cost of disposal and value in use. 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.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. An impaiment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(k) *Receivables*

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (refer to note 2(j)(i).

(l) *Cash and cash equivalents*

GHKLF defines cash and cash equivalents as cash at bank and on hand, and demand deposits with banks and other financial institutions.

(m) *Creditors and accruals*

Creditors and accruals are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 Significant accounting policies (continued)

(n) *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings, using the effective interest method.

(o) *Income tax*

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(i), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 Significant accounting policies (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if GHKLF has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, GHKLF intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of reporting period. Exchange differences on foreign currency translation are recognised in profit or loss.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when GHKLF has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 Significant accounting policies (continued)

(r) Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to GHKLF and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Rental income under operating leases

Rental income under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, 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 in profit or loss on a systematic basis as an integral part of the aggregate net lease payments receivable.

(ii) Management fee income

Management fee income is recognised when the related services are provided.

(iii) Car park income

Car park income is recognised when the related services are provided.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(s) Borrowing costs

Borrowing costs are expensed in profit or loss in the year in which they are incurred, 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 get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2 Significant accounting policies (continued)

(t) Related parties

(a) A person, or a close member of that person's family, is related to GHKLF if that person:

(i) has control or joint control over GHKLF;

(ii) has significant influence over GHKLF; or

(iii) is a member of the key management personnel of GHKLF or GHKLF's parent.

(b) An entity is related to GHKLF if any of the following conditions applies.

(i) The entity and GHKLF are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either GHKLF or an entity related to GHKLF.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of GHKLF of which it is a part, provides key management personnel services to GHKLF or to GHKLF's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Accounting judgements and estimates

The methods, judgements and estimates the directors used in applying GHKLF's accounting policies have a significant impact on GHKLF's financial position and operating results. Some of the accounting policies require GHKLF to apply judgements and estimates, on matters that are inherently uncertain. The critical accounting judgements in applying GHKLF's accounting policies are described below.

Note 26 contains information about the assumptions and their risk factors relating to financial instruments. Other accounting estimates and judgements made by management are as follows:

Valuation of investment properties

Investment properties are included in the statement of financial position at their open market value, which is assessed annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary potential, discounted cash flows and market transaction price. The assumptions adopted in the property valuation are based on the market conditions existing at the end of the reporting period, with reference to current market rental and the appropriate capitalisation rate. Any change in assumptions of the valuation would affect the value of the investment properties significantly, and profit or loss in future years.

Valuation of investment property under development

External valuations are generally not performed for investment property under development, but instead valuations are determined using the feasibility studies supporting the developments. The end values of the developments in the feasibility studies are based on assumptions to determine capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market adjusted for a profit and risk factor. The profit and risk factor is dependent on the function, location and size of the development. Any change in assumptions of the valuation would affect the value of the investment property under development significantly, and profit or loss in future years.

Recognition of deferred tax assets

Deferred tax assets arising from unused tax losses and deductible temporary differences, to the extent that these are expected to reverse, are recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and temporary differences can be utilised. The recognition of deferred tax assets therefore requires GHKLF to make significant judgments regarding its future financial performance, the amount of future taxable profits that will be available and an assessment as to whether the relevant deductible temporary differences will reverse based on prevailing tax regulations.

4 Revenue

The principal activities of GHKLF are the holding and development of logistics and warehouse properties for long-term investment.

	2018 $'000	2017 $'000
Rental income	754,853	743,060
Management fee	88,500	87,625
Car park income	42,340	44,857
	885,693	875,542

5 Property operating expenses

	2018 $'000	2017 $'000
Management fees payable under Deed of Mutual Covenant	55,893	54,568
Property service fees payable to GPS Hong Kong Limited (GPS) [1]	25,222	24,515
Building supervision fees payable to GPS [1]	798	802
Other fees payable to GPS [1]	1,505	1,526
Manager's remuneration reimbursed from GPS [1]	(5,571)	(5,605)
Staff costs	4,271	3,166
Government rent and rates	2,956	2,333
Amortisation of leasing costs [2]	17,791	17,628
Repairs and maintenance	5,843	4,630
Electricity and water charges	3,286	3,576
Insurance costs	1,815	1,814
Security service fee	3,094	-
Other expenses	7,632	11,474
	124,335	120,447

[1] The ultimate holding company of GPS is Goodman Logistics (HK) Limited, a company registered in Hong Kong. Goodman Logistics (HK) Limited is part of Goodman Group, which is listed on the Australian Securities Exchange. Goodman Group holds 20% equity interests in GHKLF.

[2] Included in amortisation of leasing costs is an amount of $12,362,000 (2017: $11,798,000) in relation to amortisation of leasing costs paid and payable to GPS.

6 Other net loss

	2018 $'000	*2017* $'000
Fair value loss on derivative financial instruments[1]	(78,065)	(147,356)
Others	398	429
	(77,667)	(146,927)

[1] The amount represents the fair value movements on derivative financial instruments whereby no hedging relationship has been designated for hedge accounting purposes

7 Finance costs

	2018 $'000	*2017* $'000
Interest paid on bank loans and long term notes	350,454	329,517
Other borrowing costs	17,988	25,155
	368,442	354,672
Less: interest expenses capitalised[1] (note 16)	(35,158)	-
	333,284	354,672

[1] The borrowing costs have been capitalised to investment property under development during the year at a rate of 3.8% per annum (2017: Nil).

8 Profit before taxation

Profit before taxation is arrived at after charging:

	2018 $'000	*2017* $'000
Fund management fees	102,774	102,218
Provision for performance fee (note 23)	414,000	1,023,000
Funds services fee	67	65
Auditor's remuneration	1,014	958

Fund management fees, performance fee and funds services fee are paid and payable to GFM Hong Kong Limited ("GFM"), based on the Services Agreement. The ultimate holding company of GFM is Goodman Logistics (HK) Limited, a company registered in Hong Kong. Goodman Logistics (HK) Limited is part of Goodman Group, which is listed on the Australian Securities Exchange. Goodman Group holds 20% equity interests in GHKLF.

9 Taxation

(a) *Taxation charged to profit or loss*

	2018 $'000	2017 $'000
Current tax - Hong Kong Profits Tax		
Provision for the year	53,092	45,257
Under/(over)-provision in respect of prior years	2,449	(923)
	55,541	44,334
Deferred tax		
Other temporary differences	8,789	(1,556)
	64,330	42,778

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

(b) *Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates*

	2018 $'000	2017 $'000
Profit before taxation	3,028,849	1,745,947
Notional tax on profit before taxation, calculated at the rate of 16.5%	499,760	288,081
Tax effect of non-taxable income	(521,955)	(427,033)
Tax effect of non-deductible expenses	68,266	168,795
Tax effect of unused tax losses not recognised	15,806	15,013
Under/(over)-provision in respect of prior years	2,449	(923)
Others	4	(1,155)
Actual tax expense	64,330	42,778

9 Taxation (continued)

(c) *Deferred tax liabilities*

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Capital allowances claimed $'000	*Tax benefit attributable to tax loss* $'000	*Cash flow hedges* $'000	*Fair value of derivative financial instruments* $'000	*Total* $'000
As at 1 April 2016	291,566	(3,792)	(7,144)	25,689	306,309
Charged/(credited) to profit or loss	21,983	765	-	(24,314)	(1,566)
Disposal of subsidiaries	(214)	427	-	-	213
Charged to other comprehensive income	-	-	7,308	-	7,308
As at 31 March 2017	313,335	(2,600)	164	1,375	312,274

	Capital allowances claimed $'000	*Tax benefit attributable to tax loss* $'000	*Cash flow hedges* $'000	*Fair value of derivative financial instruments* $'000	*Total* $'000
As at 1 April 2017	313,335	(2,600)	164	1,375	312,274
Charged/(credited) to profit or loss	19,829	1,840	-	(12,880)	8,789
Charged to other comprehensive income	-	-	8,176	-	8,176
As at 31 March 2018	333,164	(760)	8,340	(11,505)	329,239

10 Other comprehensive income

Tax effects relating to each component of other comprehensive income

	2018			2017		
	Before-tax amount $'000	*Tax expense* $'000	*Net-of-tax amount* $'000	*Before-tax amount* $'000	*Tax expense* $'000	*Net-of-tax amount* $'000
Cash flow hedge:						
– Effective portion of changes in fair value of hedging instruments recognised during the year	31,424	(5,185)	26,239	23,758	(3,920)	19,838
– Transfer from equity to profit or loss	18,132	(2,991)	15,141	20,531	(3,388)	17,143
– Share of other comprehensive income of a joint venture (note 13)	9,170	(1,513)	7,657	5,686	(938)	4,748
	58,726	(9,689)	49,037	49,975	(8,246)	41,729

11 Investment properties

	2018 $'000	*2017* $'000
Valuation		
As at 1 April	15,196,882	14,954,809
Transfer to investment property under development (note 12)	-	(1,036,708)
Other additions	48,288	36,312
Leasing costs, less amortisation	4,422	2,336
Increase in fair value	1,702,338	1,240,133
As at 31 March	16,951,930	15,196,882

(a) GHKLF leases out investment properties under operating leases which run for an initial period of between one and twenty years. On expiry, the terms are renegotiated. None of the leases include contingent rentals.

All the investment properties of GHKLF were held for use under operating leases as at 31 March 2018.

11 Investment properties (continued)

(b) GHKLF's investment properties were revalued as at 31 March 2018 by independent firms of surveyors who have staffs with recent experience in the location and category of properties being valued. Details of the valuers are as follows:

Name of valuer	*Qualification of the staff of the valuer conducting the valuation*
Colliers International (Hong Kong) Limited	Member of the Hong Kong Institute of Surveyors
Cushman & Wakefield Limited	Member of the Hong Kong Institute of Surveyors
Jones Lang LaSalle Limited	Member of the Hong Kong Institute of Surveyors
Knight Frank Petty Limited	Member of the Hong Kong Institute of Surveyors

The fair value measurement of GHKLF's investment properties falls under Level 3 of the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*, as it uses significant unobservable assumptions based on the opinion of the independent third party external valuers. Information about the fair value measurements are as follows:

	Valuation techniques	*Unobservable input*	*Weighted average*	
			2018	*2017*
Investment properties:				
– In Hong Kong	Income capitalisation approach	Market monthly net rental (HK$/sq ft)	10.7	10.1
		Capitalisation rate	4.6%	4.8%
	Discounted cash flow	Risk-adjusted discount rate	7.8%	8.1%
		Expected market rental growth	3.4%	3.3%
		Expected occupancy rate	97.2%	97.3%

11 Investment properties (continued)

The fair value of all of GHKLF's investment properties is determined using the income capitalisation and discounted cash flow approaches with reference to direct market comparables in both the current and prior year.

Under the income capitalisation approach, the fair value of investment properties is valued on a market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuation takes into account expected market rental growth. The fair value measurement is positively correlated to the market monthly rental and negatively correlated to the capitalisation rate.

Under discounted cash flow analysis, the fair value of investment properties is valued by discounting projected cash flow series associated with the properties using risk-adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rate of the respective properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value measurement is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the risk-adjusted discount rates.

GHKLF's management has reviewed the results of the valuations performed by the independent valuers for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of the property valuations.

(c) GHKLF's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	2018 $'000	*2017* $'000
Within one year	753,988	667,963
After one year but within five years	1,270,365	1,048,495
After five years	527,438	218,816
	2,551,791	1,935,274

(d) As at 31 March 2018, the investment properties are held in Hong Kong under medium-term leases.

12 Investment property under development

	2018 $'000	2017 $'000
As at 1 April	1,050,654	-
Transfer from investment properties (note 11)	-	1,036,708
Other additions	58,121	13,946
As at 31 March	1,108,775	1,050,654

Fair value measurement of investment property under development

The fair value measurement of investment property under development is categorised into Level 3 of the fair value hierarchy.

The fair value is determined using GHKLF's feasibility studies based on assumptions about expected rental income, capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market adjusted for a profit and risk factor. The profit and risk factor is dependent on the function, location and size of the development. The fair value measurement is positively correlated to the expected rental income and negatively correlated to the capitalisation rates and profit and risk factor. The significant unobservable inputs used by GHKLF are summarised as follows:

Unobservable input	*Weighted average 2018*	*Weighted average 2017*
Expected monthly net rental (HK$/sq.ft.)	13.8	13.3
Capitalisation rate	4.5%	4.9%
Profit and risk factor	20%	20%

13 Interests in joint ventures

	2018 $'000	*2017* $'000
Share of net assets	9,694,969	8,573,290
As at 1 April	8,573,290	7,529,030
Share of profits	1,449,832	1,339,656
Share of other comprehensive income (note 10)	7,657	4,748
Dividends received	(335,810)	(300,144)
As at 31 March	9,694,969	8,573,290

Details of GHKLF's interests in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of company	*Place of incorporation*	*GHKLF's effective interest* %	*Principal activities*
Goodman Interlink Limited	Cayman Islands	50	Holding of logistics and warehouse properties for leasing
Goodman DP World Hong Kong Limited ("Goodman DP World")	Hong Kong	75	Investment holding and provision of management services
Major principal entities held by Goodman DP World:			
CSX World Terminals Hong Kong Limited ("CT3") 環球貨櫃碼頭香港有限公司	Hong Kong	50	Terminal operations at Berth 3 Kwai Chung Container Terminal
ATL Logistics Centre Hong Kong Limited ("ATL") 亞洲貨櫃物流中心香港有限公司	Hong Kong	25.5	Management of a container terminal complex

13 Interests in joint ventures (continued)

Summarised financial information of the joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated statement of financial position, are disclosed below.

	Goodman Interlink Limited		*Goodman DP World* [1]	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Gross amounts of the joint ventures				
Non-current assets	9,824,620	8,066,933	12,517,932	11,908,339
Current assets	86,255	85,172	141,013	257,742
Current liabilities	(1,333,247)	(76,424)	(107,993)	(121,661)
Non-current liabilities	(1,713,045)	(2,947,583)	(26,392)	(27,869)
Equity	6,864,583	5,128,098	12,524,560	12,016,551
Included in the above assets and liabilities				
Cash and cash equivalents	42,038	32,125	53,118	59,095
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,596,185)	(2,847,585)	-	-
Revenue	406,731	341,230	463,170	445,780
Profit from continuing operations attributable to				
– equity shareholders	1,906,141	1,128,170	683,015	1,035,429
– non-controlling interests	-	-	332,669	516,164
Total comprehensive income attributable to:				
equity shareholders	1,920,455	1,135,606	683,015	1,036,429
– non-controlling interests	-	-	332,669	516,164
Dividend received from the joint ventures	91,985	74,019	743,875	226,125
Included in the above profit				
Depreciation	-	-	(71,910)	(72,332)
Finance costs	(122,332)	(113,696)	(52)	(42)
Income tax expense	(23,575)	(25,397)	(13,792)	(13,202)
Reconciled to GHKLF's interests in joint ventures				
Gross amounts of joint ventures' net assets	6,864,583	5,128,098	12,524,560	12,016,551
Gross amounts of joint ventures' non-controlling interests	-	-	4,174,324	4,004,231
GHKLF's effective interest	50%	50%	75%	75%
GHKLF's share of joint ventures' net assets	3,432,292	2,564,049	6,262,677	6,009,241
Carrying amount in the consolidated financial statements	3,432,292	2,564,049	6,262,677	6,009,241

[1] The financial results of Goodman DP World are prepared on a consolidated basis.

14 Loan to a joint venture

Loan to Goodman Interlink Limited is unsecured, interest-bearing at market rates, and is recoverable on the earlier date of the disposal of the investment property of Goodman Interlink Limited or 3 November 2018.

During the year, interest income of $37,114,000 (2017: $37,037,000) was received and receivable from Goodman Interlink Limited.

15 Debtors, prepayments and deposits

	2018 $'000	*2017* $'000
Trade debtors	4,022	2,802
Deposits, prepayments and other debtors	134,605	94,460
	138,627	97,262

At 31 March 2018 and 2017, none of the trade debtors were past due and individually or collectively determined to be impaired.

As at 31 March 2018, the deposits, prepayments and other debtors balance included an initial deposit and stamp duty of $22,200,000 in relation to acquisition of the remaining portion of Mill 6 in Goodman Tsuen Wan West.

The amount of GHKLF's deposits, prepayments and other debtors expected to be recovered or recognised as expense after more than one year is $6,758,000 (2017: $6,642,000). The remaining balance of trade debtors, deposits, prepayments and other debtors is expected to be recovered or recognised as expense within one year from the end of the reporting period.

GHKLF's credit policy is set out in note 26(a).

16 Cash and cash equivalents and other cash flow information

Reconciliation of liabilities arising from financial activities

The table below details changes in GHKLF's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in GHKLF's consolidated cash flow statement as cash flows from financing activities.

16 Cash and cash equivalents and other cash flow information (continued)

	Bank loans (note 20) $'000	Other payables (note 18) $'000	Long term notes (note 21) $'000	Derivative financial instruments (note 22) $'000	Total $'000
At 1 April 2017	5,851,035	21,070	3,080,302	(29,886)	8,922,521
Change from financing cash flows:					
Borrowing costs paid	(3,390)	(350,408)	(546)	-	(354,344)
Total change from financing cash flows	(3,390)	(350,408)	(546)	-	(354,344)
Changes in fair value recognised in profit and loss	-	-	-	78,065	78,065
Changes in fair value recognised in other comprehensive income	-	-	-	(49,556)	(49,556)
Other changes:					
Amortisation of borrowing costs (note 7)	12,733	-	3,538	-	16,271
Interest expenses (note 7)	-	317,013	-	-	317,013
Capitalised borrowing costs (note 7)	1,343	33,441	374	-	35,158
Total other changes	14,076	350,454	3,912	-	368,442
At 31 March 2018	5,861,721	21,116	3,083,668	(1,377)	8,965,128

17 Amount due from a joint venture

Amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

18 Creditors and accruals

Included in creditors and accruals are amounts payable to:

	2018 $'000	*2017* $'000
GFM	67	25,573
GPS	2,956	4,514

The above balances are unsecured, interest-free and have no fixed terms of repayment.

All of the creditors and accruals are expected to be settled within one year from the end of the reporting period or are repayable on demand. Included in creditors and accruals are other payables of $21,116,000 (2017: $21,070,000), which mainly consists of interest payable.

19 Rental deposits

Rental deposits include an amount of $159,652,000 (2017: $136,093,000) which is expected to be settled after one year from the end of the reporting period.

20 Bank loans

As at 31 March 2018, the bank loans were repayable as follows:

	2018 $'000	*2017* $'000
Non-current		
After one year but within five years	5,877,500	5,877,500
Less: unamortised transaction costs	(15,779)	(26,465)
	5,861,721	5,851,035
Representing		
Subordinated bank loan	5,877,500	5,877,500
Less: unamortised transaction costs	(15,779)	(26,465)
	5,861,721	5,851,035

20 Bank loans (continued)

(a) In September 2016, Goodman HK Finance ("GHKF"), a wholly owned subsidiary of GHKLF, entered into banking facilities of $2,000,000,000. The facilities are guaranteed by GHKLF and a subsidiary of GHKLF, Goodman HK Investments. As at 31 March 2018, the facilities were not utilised.

(b) The banking facilities as at 31 March 2018 and 2017 are subject to the fulfilment of covenants relating to certain of GHKLF's financial ratios, as are commonly found in lending arrangements with financial institutions. If GHKLF were to breach the covenants and fail to rectify a breach, the drawn facilities would become payable on demand. GHKLF regularly monitors its compliance with these covenants. As at 31 March 2018, none of the covenants relating to drawn facilities had been breached or forecast to be breached.

(c) The repayment of the subordinated bank loan is subordinated to that of other bank loans and long term notes (note 21).

(d) The interest rates related to bank loans in aggregate as at 31 March 2018 and 2017 were HIBOR plus market margins per annum.

(e) The fair value of GHKLF's borrowings approximates their carrying amount.

21 Long term notes

	2018 $'000	*2017* $'000
Long term notes	3,101,200	3,101,200
Less: unamortised transaction costs	(17,532)	(20,898)
	3,083,668	3,080,302

On 20 June 2014, GHKF established United States Dollars ("US$") 2,000,000,000 Euro Medium Term Note Programme and issued unsecured long term notes of US$400,000,000 at face value. The coupon rate of the notes is 4.375% per annum and interest is payable semi-annually. The notes are repayable on 19 June 2024 and are unconditionally and irrevocably guaranteed on a joint and several basis by GHKLF and its subsidiary, Goodman HK Investments. Cross currency swaps were entered into with four banks on 20 June 2014 to effectively convert the fixed rate long term notes into Hong Kong Dollar ("HK$") floating rate liability of $3,101,200,000.

22 Derivative financial instruments

The fair value of derivative financial assets/(liabilities) as at 31 March 2018 is set out below:

	2018 $'000	*2017* $'000
Interest rate swaps classified as cash flow hedges		
Expiring within one year	-	(3,260)
Expiring after one year	17,208	353
	17,208	(2,907)
Future swaps		
Expiring after one year	33,338	4,200
Receiver swaps		
Expiring within one year	-	(303)
Cross currency swaps		
Expiring after one year	(50,745)	26,106
Interest rate caps		
Expiring after one year	1,576	2,790
	1,377	29,886

The derivative financial instruments are classified on the consolidated statement of financial position as follows.

	2018 $'000	*2017* $'000
Non-current assets	53,255	44,124
Current liabilities	-	(3,563)
Non-current liabilities	(51,878)	(10,675)
	1,377	29,886

22 Derivative financial instruments (continued)

Interest rate swaps classified as cash flow hedges

Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposure consistent with GHKLF's policy. The "receive-floating-pay-fixed" swaps mature over the next one to six years, matching the maturity of the related loans. As at 31 March 2018, GHKLF had interest rate swaps with a notional contract amount of $1,250,000,000 (2017: $2,750,000,000) which have been designated as cash flow hedges against the interest rate risk inherent in its floating rate bank borrowings.

Future swaps

As at 31 March 2018, GHKLF holds certain "receive-floating-pay-fixed" interest rate swaps that are classified as future swaps. The swaps mature over the next six years with a notional contract amount of $1,400,000,000 (2017: $100,000,000).

Receiver swaps

GHKLF also held certain "receive-fixed-pay-floating" interest rate swaps that were classified as receiver swaps as at 31 March 2017 with a notional contract amount of $150,000,000. No receiver swap is held by GHKLF as at 31 March 2018.

Cross currency swaps

GHKLF holds certain cross currency swaps which convert the US$ denominated fixed rate notes into HK$ denominated floating rate liability as at 31 March 2018. The swaps mature on 19 June 2024 with a notional contract amount of $3,101,200,000 (2017: $3,101,200,000).

Interest rate caps

GHKLF also holds certain interest rate caps as at 31 March 2018. The caps mature over the next two years with a notional amount of $800,000,000 (2017: $800,000,000).

Valuation

The above derivatives are measured at fair value at the end of the reporting period on a recurring basis, using quoted prices in active markets for similar financial instruments and are categorised into Level 2 of the HKFRS 13 fair value hierarchy. The fair value of interest rate swaps, future swaps, receiver swaps, cross currency swaps and interest rate caps are the estimated amount that GHKLF would receive or pay to terminate the swaps and caps at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap and cap counterparties.

23 Provision for performance fee

Pursuant to the Services Agreement dated 18 December 2012 (the "Agreement"), a performance fee is payable by GHKLF to GFM if GHKLF's portfolio return over the period from 1 January 2013 to 31 March 2020 exceeds certain hurdles. As at 31 March 2018, GHKLF has made provision of $1,437,000,000 (2017: $1,023,000,000) representing the estimated performance fee of $1,745,000,000 (2017: $1,370,000,000) based on the cumulative portfolio return up to 31 March 2018, discounted by a risk adjusted rate. The actual fee amount payable, if any, will be determined as at 31 March 2020 based on the cumulative portfolio return for the seven year period then ended, or earlier in the event GHKLF is wound-up, the Service Providers (as defined in the Agreement) resign or are replaced in accordance with the Agreement.

24 Contributed equity

(a) *Contributed equity*

	2018 $'000	*2017* $'000
Share capital	309,342	309,342
Share premium	1,371,744	1,371,744
	1,681,086	1,681,086
Less: Issuing costs	(51,289)	(51,289)
	1,629,797	1,629,797

Details of share capital of GHKLF are as follows:

	2018 *No. of shares*	2018 $'000	2017 *No. of shares*	2017 $'000
Authorised:				
100,000,000,000 shares of $0.05 each		5,000,000		5,000,000
Issued and fully paid:				
As at 1 April and 31 March	6,186,841,940	309,342	6,186,841,940	309,342

24 Contributed equity (continued)

(b) Dividends

(i) Dividends paid to equity shareholders of GHKLF attributable to the year:

	2018 $'000	*2017* $'000
Interim dividends of $0.0884 (2017: $0.0839) per share declared during the year	546,700	519,041
Interim dividends of $0.0213 (2017: $0.0194) per share proposed after the end of the reporting period	131,962	120,105

The interim dividends proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period

(ii) Dividends paid to equity shareholders of GHKLF attributable to the previous financial year, approved and paid during the year:

	2018 $'000	*2017* $'000
Interim dividends of $0.0194 (2017: $0.0195) per share	120,105	120,425

(c) Capital management

GHKLF's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

GHKLF defines "capital" as including all components of equity plus long-term debentures and any loans from other group companies with no fixed terms of repayment less unaccrued proposed dividends. Trading balances that arise as a result of trading transactions with other group companies are not regarded by GHKLF as capital.

GHKLF's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting GHKLF.

25 Hedging reserve

The hedging reserve comprises the effective position of the cumulative net change in the fair value of derivative financial instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2(h).

26 Financial risk management and fair value

Exposure to financial risks arises in the normal course of GHKLF's business.

GHKLF's exposure to these risks and the financial risk management policies and practices used by GHKLF to manage these risks are described below.

(a) Credit risk

GHKLF's credit risk is primarily attributable to debtors and prepayments, bank deposits and over-the-counter derivative financial instruments entered into for hedging purposes. GHKLF has a credit policy in place, and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and GHKLF has set exposure limits for any single financial institution. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. Given the high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments in the consolidated statement of financial position.

(b) Liquidity risk

GHKLF's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from banks in the short and longer term.

All the financial liabilities were carried at amounts not materially different from their contractual undiscounted cash outflows as at 31 March 2018 and 2017.

26 Financial risk management and fair value (continued)

The following table shows the remaining contractual maturities at the end of the reporting period of GHKLF's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date GHKLF can be required to pay:

2018

	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	*More than 1 year but less than 2 years* $'000	*More than 2 years but less than 5 years* $'000	*More than 5 years* $'000	*Total* $'000	*Carrying amount at 31 March* $'000
Creditors and accruals	136,754	-	-	-	136,754	136,754
Rental deposits	51,910	47,580	80,490	31,582	211,562	211,562
Bank loans	262,497	5,997,990	-	-	6,260,487	5,861,721
Long term notes	93,949	94,206	281,846	3,215,483	3,685,484	3,083,668
	545,110	6,139,776	362,336	3,247,065	10,294,287	9,293,705
Derivatives settled gross:						
Interest rate swaps held as cash flow hedges:						
– outflow	24,265	20,566	34,379	103	79,313	
– inflow	(15,205)	(12,738)	(21,846)	(90)	(49,863)	
Future and other swaps:						
– outflow	3,669	25,224	90,169	29,849	148,911	
– inflow	(2,236)	(14,011)	(51,090)	(16,953)	(84,293)	
	10,493	19,041	51,612	12,919	94,065	(50,546)
	555,603	6,158,817	413,948	3,259,984	10,388,352	9,243,159

26 Financial risk management and fair value (continued)

2017

	Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	*More than 1 year but less than 2 years* $'000	*More than 2 years but less than 5 years* $'000	*More than 5 years* $'000	*Total* $'000	*Carrying amount at 31 March* $'000
Creditors and accruals	130,835			-	130,835	130,835
Rental deposits	53,030	48,732	76,724	10,637	189,123	189,123
Bank loans	246,729	246,729	5,990,753	-	6,484,211	5,851,035
Long term notes	87,115	87,115	261,583	3,294,285	3,730,098	3,080,302
	517,709	382,576	6,329,060	3,304,922	10,534,257	9,251,295
Derivatives settled gross:						
Interest rate swaps held as cash flow hedges:						
– outflow	36,309	24,265	53,159	1,889	115,622	
– inflow	(20,425)	(12,451)	(27,191)	(1,192)	(61,259)	
Future and other swaps:						
– outflow	-	1,308	4,204	1,492	7,004	
– inflow	-	(931)	(2,991)	(1,061)	(4,983)	
Receiver swaps						
– outflow	847	-	-	-	847	
– inflow	(625)			-	(625)	
	16,105	12,191	27,181	1,128	56,606	(990)
	533,815	394,767	6,356,241	3,306,050	10,590,873	9,250,305

(c) *Interest rate risk*

GHKLF has exposure to interest rate movement for its floating rate bank loans and long term notes. GHKLF adopts a policy of reducing its exposure to interest rate risk by fixing interest rates of certain portion of bank loans and long term floating rate notes through the use of derivative financial instruments. In this regard, any change in the market interest rate does not have significant impact on the results of GHKLF. Details of derivative financial instruments of GHKLF are set out in note 22.

(d) *Foreign currency risk*

GHKLF is subject to foreign currency risk on the US$ unsecured long term notes issued on 20 June 2014. GHKLF mitigates this foreign currency risk by entering into cross currency swaps with four banks, to convert the fixed rate US$ long term notes into HK$ floating rate liability as disclosed in note 21. Apart from this, GHKLF has no significant exposure to foreign currency risk, as substantially all of its transactions are denominated in HK$.

26 Financial risk management and fair value (continued)

(e) Fair value

All financial instruments are carried at amounts not materially different from their fair value as at 31 March 2018 and 2017

27 Principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results or net assets of GHKLF. The class of shares held is ordinary unless otherwise stated.

All of these subsidiaries have been consolidated into the financial statements.

Name of company	*Place of incorporation/ establishment*	*Percentage of equity attributable to GHKLF*		*Issued share capital*	*Principal activities*
		Direct %	*Indirect* %		
Castle Peak Investments No. 4 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Goodman DCC Investments Limited	Hong Kong	-	100	HK$2	Holding of logistics and warehouse properties for leasing
Goodman DCC Investments No. 2	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman FS Holdings	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman HK Finance	Cayman Islands	100	-	US$1,000	Provision of financing services
Goodman HK Investments	Cayman Islands	100	-	US$1,000	Holding of investments
Goodman Shatin Investments No. 1 Limited	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing

27 Principal subsidiaries (continued)

Name of company	Place of incorporation/ establishment	Percentage of equity attributable to GHKLF Direct %	Indirect %	Issued share capital	Principal activities
Goodman Tsuen Wan A	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing
Goodman Yuen Long Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
GTWW Investment Limited	Hong Kong	-	100	HK$1	Holding of a land for redevelopment
GTWW Investment No.2 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for redevelopment
Liberty Bell Investments	Cayman Islands	-	100	US$1,000	Holding of investments
San On Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Texaco Investments No. 1 Limited	Hong Kong	-	100	HK$1	Holding of logistics and warehouse properties for leasing
Venyu Development Company Limited	Hong Kong	-	100	HK$10,000	Holding of a land for redevelopment
Westlink Investments	Cayman Islands	-	100	US$1	Holding of a land for development
Yeung Uk A	Cayman Islands	-	100	US$1,000	Holding of logistics and warehouse properties for leasing

28 Capital commitments

Capital commitments outstanding at 31 March 2018 not provided for in the financial statements were as follows:

	2018 $'000	*2017* $'000
Contracted but not provided for	121,546	7,751
Authorised but not contracted for	19,967	14,804
	141,513	22,555

29 Non-adjusting events after the reporting period

On 8 March 2018, GTWW Investment No.2 Limited, a subsidiary of GHKLF, has entered into two Preliminary Sale & Purchase Agreements to acquire the remaining portion of Mill 6 of Goodman Tsuen Wan West, at a total consideration of $120,000,000. Initial deposit and stamp duty of $22,200,000 has been paid before year end and the final settlement has been made on 6 June 2018.

On 3 May 2018, Westlink Investments, a subsidiary of GHKLF, has been selected as the successful tenderer by the Hong Kong Lands Department to acquire a prime logistics land site in Tuen Mun, Hong Kong for a price of $2,750,888,888. GHKLF will construct a high-quality, modern logistics facility on the 32,000 sqm site. The consideration has been settled on 28 May 2018.

30 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 March 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to GHKLF:

	Effective for accounting periods beginning on or after
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
Amendments to HKAS 40, *Investment property: Transfers of investment property*	1 January 2018
HK(IFRIC) 22, *Foreign currency transactions and advance consideration*	1 January 2018
HKFRS 16, *Leases*	1 January 2019
HK(IFRIC) 23, *Uncertainty over income tax treatments*	1 January 2019

GHKLF is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to GHKLF, and further impacts may be identified before the standards are initially applied in GHKLF's financial statements for the year ending 31 March 2019. GHKLF may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial statements. So far it has concluded that the adoption of them is unlikely to have a significant impact on GHKLF's financial statements.

SCHEDULE

GOODMAN HK FINANCE PRIVACY NOTICE

Purpose of this notice

This privacy notice provides information regarding our processing of personal data.

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, a legal arrangement such as a limited partnership or trust) that provides personal data on natural persons connected to you for any reason in relation to your investment in the Issuer, this will be relevant for those persons and you should transmit this privacy notice to them.

In this privacy notice, the terms "**Issuer**", "**we**", "**us**" and "**our**" refer to Goodman HK Finance, in its capacity as issuer under the U.S.$2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), its affiliates (including the Guarantors under the Programme) and/or its delegates, unless the context otherwise requires.

Your Personal Data

By virtue of subscribing for Notes issued by the Issuer and your associated interactions with the Issuer, you will provide us (including by submitting subscription documents, tax forms and associated documents and in correspondence and discussions with us) certain information ("**Personal Data**") that constitutes "personal data" under the Data Protection Law, 2017 of the Cayman Islands (the "**DPL**"). We may also obtain Personal Data from public sources. Personal Data includes, without limitation, the following information relating to you and/or any natural persons connected with you as an investor: name, residential address, email address, corporate contact information, other contact information, date of birth, place of birth, passport or other national identifier details, national insurance or social security number, tax identification, bank account details and information regarding assets, income, employment, source of funds and investment history and risk tolerance.

Under the DPL, the Issuer is a "data controller" and the Issuer's affiliates (including the Guarantors under the Programme) and/or delegates may be "data processors" (or, in some circumstances, data controllers in their own right), in respect of your Personal Data.

Why we process your Personal Data

We process your Personal Data for the purposes of:

- performing our contractual rights and obligations (including under the Trust Deed and/or the constitutional documents of the Issuer);

- complying with our legal or regulatory obligations (including those relating to anti-money laundering and counter-terrorist financing, preventing and detecting fraud, sanctions, automatic exchange of tax information, requests from governmental, regulatory, tax and law enforcement authorities, beneficial ownership and maintaining statutory registers); and

- our legitimate interests or those of a third party (including to manage and administer your subscription for Notes issued by the Issuer, to send you updates, information and notices or otherwise correspond with you in connection with your subscription for Notes issued by the Issuer, to review, assess and process your requests or applications, to address or investigate any complaints, claims, proceedings or disputes, to seek professional advice, including legal advice, to meet our regulatory, accounting, tax reporting and audit obligations, to manage risk and operations, to maintain our internal records, to act in accordance with our policies and procedures, to protect our business against fraud, breach of confidence and theft of proprietary materials and to protect the security and integrity of our IT systems) where we consider that, on balance, our (or their) legitimate interests are not overridden by your interests, fundamental rights or freedoms.

(Should we wish to process your Personal Data for other specific purposes (including, if applicable, any purpose that requires your consent), we will contact you.)

Whom we transfer your Personal Data to

We transfer your Personal Data to our employees, controlled, associated or related entities, contractors or service providers for the purposes of the operation of our website or our business, including, without limitation, share registry providers, custodians, web hosting providers, IT systems administrators, mailing houses, couriers, payment processors, data entry service providers, electronic network administrators, debt collectors, and professional advisors such as accountants, solicitors, business advisors, real estate agents and consultants, certain suppliers and third parties with whom we have commercial relationships for business, marketing and related purposes, who will process your Personal Data on our behalf and other third party service providers that we appoint or engage to assist with the Issuer's management, operation, administration and legal, governance and regulatory compliance. In certain circumstances, we may be required by law or regulation to transfer your Personal Data and other information with respect to your subscription for Notes issued by the Issuer to governmental, regulatory, tax and law enforcement authorities. They may, in turn, exchange this information with other governmental, regulatory, tax and law enforcement authorities (including in jurisdictions other than the Cayman Islands).

Transfer of your Personal Data outside the Cayman Islands

Subject to any restrictions under any legislation in the jurisdiction which the information was collected, your Personal Data may be transferred to jurisdictions that do not have data protection laws equivalent to the DPL. This may be necessary for one of a number of reasons, including for the performance of our rights and obligations under the Trust Deed or Pricing Supplement and the Issuer's constitutional documents or under an agreement with a third party that is in your interests or in connection with international cooperation arrangements between governmental, regulatory, tax and law enforcement authorities.

We take reasonable steps to ensure that the overseas recipients of your personal information or data do not breach the privacy obligations relating to your personal information or data.

How we safeguard your Personal Data

We and/or our duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Personal Data, and against accidental loss or destruction of, or damage to, Personal Data.

We will notify a Noteholder of any Personal Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Personal Data relates.

How long we retain your Personal Data

We will retain your Personal Data for as long as we require it to perform our contractual rights and obligations or for our legitimate interests or for such longer period as required by our legal or regulatory obligations. In general, we will retain your Personal Data throughout your time as a Noteholder of such Notes issued by the Issuer. We will also retain certain of your Personal Data after you cease to be a Noteholder. As a general principle, we do not retain your Personal Data for longer than we need it.

Your rights

Under the DPL, you have certain data protection rights, including the right to request access to your Personal Data, the right to restrict the use of your Personal Data, the right to have incomplete or inaccurate Personal Data corrected, the right to ask us to stop processing your Personal Data, the right to require us to delete your Personal Data in certain circumstances and the right to complain to the Cayman Islands Ombudsman, who may be contacted by email (info@ombudsman.ky), telephone (+1 345 946 6283) or post (PO Box 2252, Grand Cayman KY1-1107, Cayman Islands).

Automated decision-making

We will not take decisions producing legal effects concerning you, or otherwise significantly affecting you, based solely on automated processing of your Personal Data, unless we have considered the proposed processing in a particular case and concluded in writing that it meets the requirements of the DPL (and other applicable laws).

Questions or concerns

If you have any questions or concerns about the contents of this privacy notice or our processing of your Personal Data, please contact the Goodman Privacy Officer in Hong Kong by email privacy.hk@goodman.com, telephone +852 2249 3100 or post Suite 901, Three Pacific Place, 1 Queen's Road East, Hong Kong.

ISSUER

Goodman HK Finance
P.O. Box 472
2nd Floor, North Wing
Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

GUARANTORS

Goodman Hong Kong Logistics Fund
P.O. Box 472
2nd Floor, North Wing
Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

Goodman HK Investments
P.O. Box 472
2nd Floor, North Wing
Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

TRUSTEE AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon
London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon
SA/NV, Luxembourg Branch
Vertigo Building, Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISERS

To the Issuer and the Guarantors as to English law and Hong Kong law

Allen & Overy
9th Floor
Three Exchange Square
Central
Hong Kong

To the Dealers and the Trustee as to English law

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

To the Issuer and the Guarantors as to Cayman Islands law

Mourant Ozannes
1002-1008, 10/F Gloucester Tower
Landmark
15 Queen's Road Central
Hong Kong

AUDITORS

To Goodman Hong Kong Logistics Fund

KPMG
8th Floor Prince's Building
10 Chater Road
Central
Hong Kong

DEALERS

Crédit Agricole Corporate and Investment Bank
27th Floor, Two Pacific Place 88
Queensway
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building 1
Queen's Road Central
Hong Kong

ING Bank N.V., Singapore Branch
1 Wallich Street
#12-01 Guoco Tower
Singapore 078881

NATIXIS
47, quai d'Austerlitz
75013 Paris
France