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OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

As at the date of this announcement, the board of directors of Guoco Group Limited comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. TANG Hong Cheong as President & CEO; Mr. KWEK Leng San as Non-executive Director; Mr. Roderic N. A. SAGE, Mr. David Michael NORMAN and Mr. Lester G. HUANG, SBS, JP as Independent Non-executive Directors.

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

GL LIMITED

Securities

GL LIMITED - BMG392401094 - B16

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

26-Aug-2020 17:44:51

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG200826OTHRATMP

Submitted By (Co./ Ind. Name)

Susan Lim

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachment.

Additional Details

For Financial Period Ended

30/06/2020

Attachments

[SGX-FS-FY2020-and-Auditors-Rpt.pdf](#)

Total size =2204K MB



Full Year Financial Statement And Related Announcement

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Audited		Favourable / (unfavourable) variance %
	12 months ended		
	2020 US\$m	2019 US\$m	
<u>Continuing operations</u>			
Revenue	258.2	349.3	(26)
Cost of sales	(160.0)	(221.9) ^	28
Gross profit	98.2	127.4	(23)
Other operating income	24.3	0.5	4,760
Administrative expenses	(53.9)	(58.4) ^	8
Reversal of impairment loss / (impairment loss) on trade receivables	0.1	(0.7)	N.M.
Other operating expenses	(47.8)	(16.3)	(193)
Operating profit	20.9	52.5	(60)
Finance income	1.5	1.6	(6)
Finance costs	(48.0)	(13.2)	(264)
Net financing costs	(46.5)	(11.6)	(301)
(Loss) / profit before tax	(25.6)	40.9	N.M.
Income tax expense	(1.1)	(6.6)	83
(Loss) / profit from continuing operations, net of tax	(26.7)	34.3	N.M.
<u>Discontinued operation</u>			
Profit / (loss) from discontinued operation, net of tax	-	16.0	N.M.
(Loss) / profit for the year	(26.7)	50.3	N.M.
Profit / (loss) attributable to:			
Owners of the Company	(26.7)	50.3	N.M.
Non-controlling interests	-	*	N.M.
(Loss) / profit for the year	(26.7)	50.3	N.M.

^ Reclassification of hotel depreciation and intangible asset amortisation from administrative expenses to cost of sales for comparative purpose.

Note to Income Statement

	Audited		Favourable / (unfavourable) variance %
	12 months ended		
	2020 US\$m	2019 US\$m	
(Loss) / profit before tax is stated after (charging) / crediting:			
Depreciation of hotels, property and equipment ^	(32.7)	(19.6)	(67)
Amortisation of intangible assets ^	(2.9)	(3.1)	6
Provision for legal claims #	-	(4.9)	N.M.
Provision for legacy hotel lease claims, redundancy and others #	(10.0)	-	N.M.
Impairment of hotels, property and equipment #	(24.3)	(9.1)	(167)
Write down of development properties #	(13.1)	-	N.M.
Gain from additional proceeds from compulsory acquisition of a hotel property	15.8	-	N.M.
Loss on disposal of hotels, property and equipment #	(0.4)	(2.1)	81
Write-off of hotels, property and equipment #	-	(0.2)	N.M.

* Amount less than US\$0.1m

^ Included in cost of sales and administrative expenses

Included in other operating expenses

Note: N.M. - not meaningful

1(a)(ii) Statement of Comprehensive Income

	Audited		Favourable / (unfavourable) variance %
	12 months ended		
	2020 US\$m	2019 US\$m	
(Loss) / profit for the year	(26.7)	50.3	N.M.
Other comprehensive income:			
<u>Items that will not be reclassified to profit or loss:</u>			
Change in fair value equity investments at fair value through other comprehensive income [#]	-	(0.1)	N.M.
Pension actuarial losses, net of tax	(2.8)	(6.3)	(56)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Net exchange differences from consolidation of foreign operations [#]	(21.4)	(33.2)	36
Effective portion of changes in fair value of cash flow hedges, net of tax	(1.3)	0.7	N.M.
Net change in fair value of cash flow hedges reclassified to profit or loss	1.0	0.3	233
Reclassification of exchange differences realised on disposal of subsidiaries to profit or loss	-	(17.5)	N.M.
Other comprehensive income for the year, net of income tax	(24.5)	(56.1)	56
Total comprehensive income for the year	(51.2)	(5.8)	(783)
Total comprehensive income attributable to:			
- Owners of the Company			
Continuing operations	(51.3)	(4.4)	(1,066)
Discontinued operation	-	(1.5)	N.M.
- Non-controlling interests	0.1	0.1	-
Total comprehensive income for the year	(51.2)	(5.8)	(783)

* Amount less than US\$0.1m

There are no income tax effect relating to these components of other comprehensive income

Note: N.M. - not meaningful

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	Audited 30 June 2020 US\$m	Audited 30 June 2019 US\$m	Audited 30 June 2020 US\$m	Audited 30 June 2019 US\$m
ASSETS				
Hotels, property and equipment	1,478.9	985.5	–	–
Intangible assets	59.0	63.5	–	–
Deferred tax assets	18.0	–	–	–
Investments in subsidiaries	–	–	1,216.7	1,225.6
Pensions surplus	6.2	7.1	–	–
TOTAL NON-CURRENT ASSETS	1,562.1	1,056.1	1,216.7	1,225.6
Other investments	–	0.1	–	–
Corporate tax recoverable	–	1.1	–	–
Inventories	0.8	1.3	–	–
Development properties	171.6	184.7	–	–
Trade and other receivables	9.9	29.4	0.3	0.3
Derivative financial assets	–	0.3	–	0.3
Advances to subsidiaries	–	–	76.3	72.0
Cash and cash equivalents	94.0	95.1	30.4	38.3
TOTAL CURRENT ASSETS	276.3	312.0	107.0	110.9
TOTAL ASSETS	1,838.4	1,368.1	1,323.7	1,336.5
LIABILITIES				
Loans and borrowings	187.3	209.7	–	–
Lease liabilities	699.7	–	–	–
Pension obligations	2.1	2.4	–	–
Deferred tax liabilities	–	13.9	–	–
Derivative financial liabilities	3.5	3.4	–	–
TOTAL NON-CURRENT LIABILITIES	892.6	229.4	–	–
Lease liabilities	6.4	–	–	–
Provisions	14.5	5.5	–	–
Trade and other payables	41.4	58.5	0.7	0.8
Advances from subsidiary	–	–	19.6	–
Corporate tax payable	0.5	0.9	–	–
TOTAL CURRENT LIABILITIES	62.8	64.9	20.3	0.8
TOTAL LIABILITIES	955.4	294.3	20.3	0.8
NET ASSETS	883.0	1,073.8	1,303.4	1,335.7
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	885.4	1,076.3	1,303.4	1,335.7
Non-controlling interests	(2.4)	(2.5)	–	–
TOTAL EQUITY	883.0	1,073.8	1,303.4	1,335.7

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 30 June 2019	
Secured US\$m	Unsecured US\$m	Secured US\$m	Unsecured US\$m
-	-	-	-

Amount repayable after one year

As at 30 June 2020		As at 30 June 2019	
Secured US\$m	Unsecured US\$m	Secured US\$m	Unsecured US\$m
69.1	118.2	71.9	137.8

Details of any collateral

As at 30 June 2020, the Group's unsecured borrowings that are repayable after one year was US\$118.2 million. The Group continues to have banking lines for its funding requirements.

The Group's secured borrowings as at 30 June 2020 of US\$69.1 million and repayable after one year, are secured by a hotel owned by the Group with a net book value of US\$122.3 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Audited	
	12 months ended	
	2020	2019
	US\$m	US\$m
OPERATING ACTIVITIES		
(Loss) / profit before tax from continuing operations	(25.6)	40.9
Profit before tax from discontinued operation	–	15.9
Adjustments for non-cash items		
Depreciation of hotels, property and equipment	32.7	19.6
Amortisation of intangible assets	2.9	3.1
Impairment of hotels, property and equipment	24.3	9.1
Write down of development properties	13.1	–
Gain from additional proceeds from compulsory acquisition of a hotel property	(15.8)	–
Loss on disposal of hotel, property and equipment	0.4	2.1
Write-off of hotels, property and equipment	–	0.2
(Reversal of) / impairment loss on trade receivables	(0.1)	0.7
Impairment loss on other receivables and other provisions	–	1.0
Share option (benefits) / expenses	(0.8)	0.5
Gain on disposal of discontinued operation	–	(17.2)
Net financing costs	46.5	11.6
Net change in working capital items		
Inventories and development properties	0.5	(1.2)
Trade and other receivables	15.2	12.0
Trade and other payables	(8.3)	(11.0)
Pension surplus and obligations	(3.0)	(3.6)
Provisions	9.3	4.5
Cash generated from operations	91.3	88.2
Interest received	1.0	1.1
Income tax paid	(6.1)	(12.7)
CASH FLOWS FROM OPERATING ACTIVITIES	86.2	76.6
INVESTING ACTIVITIES		
Proceeds from compulsory acquisition of a hotel property	20.2	*
Proceeds from disposal of investment in discontinued operation, net of cash balance disposed of	–	30.1
Proceeds from liquidation of other investments	0.1	–
Acquisition of hotels, property and equipment	(21.4)	(44.2)
CASH FLOWS USED IN INVESTING ACTIVITIES	(1.1)	(14.1)
FINANCING ACTIVITIES		
Drawdown of long-term borrowings	12.4	–
Repayment of long-term borrowings	(28.3)	(36.8)
Payment of lease liabilities	(37.6)	–
Upfront fees paid	–	(1.6)
Interest paid	(8.8)	(11.3)
Other finance costs paid	(0.7)	(0.1)
Realised exchange (loss) / gain on financial derivatives	(0.5)	0.2
Dividend paid to shareholders of the Company	(21.0)	(20.9)
CASH FLOWS USED IN FINANCING ACTIVITIES	(84.5)	(70.5)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	0.6	(8.0)
Cash and cash equivalents at the beginning of the year	95.1	105.4
Restricted cash	0.4	0.4
Effect of exchange rate fluctuations on cash held	(2.1)	(2.7)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	94.0	95.1

* Amount less than US\$0.1m

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity – Group

	Share Capital US\$m	Contributed Surplus US\$m	Translation Reserve US\$m	Fair Value Reserve US\$m	Hedging Reserve US\$m	Capital Reserve Share Based Payment US\$m	Equity Compensation Reserve US\$m	ESOS Reserve US\$m	Retained Earnings US\$m	Total US\$m	Non-Controlling Interests US\$m	Total Equity US\$m
Balance at 1 July 2019	273.6	654.2	(301.6)	(0.9)	(2.5)	(1.6)	3.5	(46.2)	497.8	1,076.3	(2.5)	1,073.8
Effect on initial application of IFRS16	-	-	2.3	-	-	-	-	-	(120.2)	(117.9)	-	(117.9)
Adjusted balance at 1 July 2019	273.6	654.2	(299.3)	(0.9)	(2.5)	(1.6)	3.5	(46.2)	377.6	958.4	(2.5)	955.9
Loss for the year	-	-	-	-	-	-	-	-	(26.7)	(26.7)	-	(26.7)
Other comprehensive income:												
Pension actuarial losses, net of tax	-	-	-	-	-	-	-	-	(2.8)	(2.8)	-	(2.8)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(1.3)	-	-	-	-	(1.3)	-	(1.3)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	-	1.0	-	-	-	-	1.0	-	1.0
Net exchange differences from consolidation of foreign operations	-	-	(21.5)	-	-	-	-	-	-	(21.5)	0.1	(21.4)
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	*	-	-	-	-	-	*	-	*
Reclassification of fair value reserve on liquidation of other investments to retained earnings	-	-	-	0.9	-	-	-	-	(0.9)	-	-	-
Total other comprehensive income, net of tax	-	-	(21.5)	0.9	(0.3)	-	-	-	(3.7)	(24.6)	0.1	(24.5)
Total comprehensive income for the year, net of tax	-	-	(21.5)	0.9	(0.3)	-	-	-	(30.4)	(51.3)	0.1	(51.2)
<i>Transactions with owners, recorded directly in equity:</i>												
Value of employee services received for issue of share options per share for the year ended 30 June 2019	-	-	-	-	-	-	(0.7)	-	-	(0.7)	-	(0.7)
	-	-	-	-	-	-	-	-	(21.0)	(21.0)	-	(21.0)
Total transactions with owners	-	-	-	-	-	-	(0.7)	-	(21.0)	(21.7)	-	(21.7)
Balance at 30 June 2020	273.6	654.2	(320.8)	-	(2.8)	(1.6)	2.8	(46.2)	326.2	885.4	(2.4)	883.0
Balance at 1 July 2018	273.6	654.2	(250.8)	(0.8)	(3.5)	(1.6)	3.0	(46.2)	474.7	1,102.6	(2.6)	1,100.0
Profit / (loss) for the year	-	-	-	-	-	-	-	-	50.3	50.3	*	50.3
Other comprehensive income:												
Pension actuarial losses, net of tax	-	-	-	-	-	-	-	-	(6.3)	(6.3)	-	(6.3)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	0.7	-	-	-	-	0.7	-	0.7
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	-	0.3	-	-	-	-	0.3	-	0.3
Net exchange differences from consolidation of foreign operations	-	-	(33.3)	-	-	-	-	-	-	(33.3)	0.1	(33.2)
Reclassification of exchange differences realised on disposal of subsidiaries to profit or loss	-	-	(17.5)	-	-	-	-	-	-	(17.5)	-	(17.5)
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	(0.1)	-	-	-	-	-	(0.1)	-	(0.1)
Total other comprehensive income, net of tax	-	-	(50.8)	(0.1)	1.0	-	-	-	(6.3)	(56.2)	0.1	(56.1)
Total comprehensive income for the year, net of tax	-	-	(50.8)	(0.1)	1.0	-	-	-	44.0	(5.9)	0.1	(5.8)
<i>Transactions with owners, recorded directly in equity:</i>												
Value of employee services received for issue of share options	-	-	-	-	-	-	0.5	-	-	0.5	-	0.5
First and final dividend of SGD0.022 per share for the year ended 30 June 2018	-	-	-	-	-	-	-	-	(20.9)	(20.9)	-	(20.9)
Total transactions with owners	-	-	-	-	-	-	0.5	-	(20.9)	(20.4)	-	(20.4)
Balance at 30 June 2019	273.6	654.2	(301.6)	(0.9)	(2.5)	(1.6)	3.5	(46.2)	497.8	1,076.3	(2.5)	1,073.8

* Amount less than US\$0.1m

Statement of Changes in Equity – Company

	Share Capital US\$m	Contributed Surplus US\$m	Capital Reserve Share Based Payment US\$m	Equity Compensation Reserve US\$m	ESOS Reserve US\$m	Retained Earnings US\$m	Total US\$m
Balance at 1 July 2019	273.6	654.2	(1.6)	2.7	(46.2)	453.0	1,335.7
Loss for the year	–	–	–	–	–	(11.4)	(11.4)
Total comprehensive income for the year, net of tax	–	–	–	–	–	(11.4)	(11.4)
<i>Transactions with owners, recorded directly in equity:</i>							
Value of employee services received for issue of share options	–	–	–	0.1	–	–	0.1
First and final dividend of SGD0.022 per share for the year ended 30 June 2019	–	–	–	–	–	(21.0)	(21.0)
Total transactions with owners	–	–	–	0.1	–	(21.0)	(20.9)
Balance at 30 June 2020	273.6	654.2	(1.6)	2.8	(46.2)	420.6	1,303.4
Balance at 1 July 2018	273.6	654.2	(1.6)	2.7	(46.2)	459.7	1,342.4
Profit for the year	–	–	–	–	–	14.2	14.2
Total comprehensive income for the year, net of tax	–	–	–	–	–	14.2	14.2
<i>Transactions with owners, recorded directly in equity:</i>							
First and final dividend of SGD0.022 per share for the year ended 30 June 2018	–	–	–	–	–	(20.9)	(20.9)
Total transactions with owners	–	–	–	–	–	(20.9)	(20.9)
Balance at 30 June 2019	273.6	654.2	(1.6)	2.7	(46.2)	453.0	1,335.7

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Issued Shares	As at 30 June 2020	As at 30 June 2019
Issued and fully paid ordinary shares	1,368,063,633	1,368,063,633

Share Options	Full Year ended	
	30 June 2020	30 June 2019
(a) Grant of share options under ESOS:		
As at 1 July	26,250,000	37,250,000
Options granted	–	2,000,000
Options lapsed	(20,000,000)	(13,000,000)
As at 30 June	6,250,000	26,250,000
(b) Number of shares held in the ESOS Trust to be transferred to eligible employees to satisfy the outstanding share options under the ESOS	68,295,000	68,295,000

There has been no change in the Company's share capital since the immediate preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2020	As at 30 June 2019
Total issued ordinary shares	1,368.1 million	1,368.1 million
Less: Number of shares acquired by the ESOS Trust for ESOS	(68.3) million	(68.3) million
Total issued ordinary shares excluding shares acquired by the ESOS Trust for ESOS	1,299.8 million	1,299.8 million

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

These figures have been audited by the Group's auditors, KPMG LLP, in accordance with the Singapore Standards on Auditing. Please refer to the Auditors' report in Appendix 1.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 30 June 2020 as with the audited financial statements for the financial year ended 30 June 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Adoption of IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. The new accounting standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted IFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 July 2019. On the adoption of IFRS 16, the Group applied the practical expedient to recognise the right-of-use asset at its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 July 2019, and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of IFRS 16.

On the adoption of IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition as at 1 July 2019 is summarised below:

Statement of financial position	US\$m
Right-of-use assets – property, plant and equipment	570.3
Deferred tax asset	26.0
Lease liabilities	(723.2)
Trade and other payables	9.0
Retained earnings	120.2
Translation reserve	(2.3)

Early adoption of Interest Rate Reform - Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures

The Group has early adopted the Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments provide temporary relief from specific hedge accounting requirements affected by IBOR reform. The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 July 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. The early adoption of Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) does not have any material effect on the Group's financial statements for the financial year ended 30 June 2020.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Audited 12 months	
	1 July 2019 to 30 June 2020	1 July 2018 to 30 June 2019
<u>Earnings per share</u>		
Basic (loss) / earnings per share (US cents)	(2.1)	3.9
Diluted (loss) / earnings per share (US cents)	(2.1)	3.9
<u>Earnings per share - continuing operations</u>		
Basic (loss) / earnings per share (US cents)	(2.1)	2.6
Diluted (loss) / earnings per share (US cents)	(2.1)	2.6

Based on 1,299.8 million shares, which is the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS. As the Group was making losses for the financial year ended 30 June 2020, no changes were made to the diluted loss per share.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital (exclude treasury share and share held by the ESOS trust) of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net assets per share (US cents)	Audited Full Year	Audited Full Year
	30 June 2020	30 June 2019
The Group	68.1	82.8
The Company	100.3	102.8

Based on 1,299.8 million shares, which is the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Loss after tax for the year ended 30 June 2020 was US\$26.7 million compared to profit after tax of US\$50.3 million in the previous financial year. The following review sets out the factors that affected loss after tax for the year:

Revenue

Revenue was 26% lower than previous financial year due to lower revenue generated by the hotel and oil & gas segments.

Hotel revenue was lower compared to previous year due to the impact from the COVID-19 pandemic which resulted in our hotels in United Kingdom ("UK") being temporarily closed in 4th quarter of the financial year.

Lower revenue from oil and gas segment due to lower crude oil prices, lower oil production as well as the weakening of AUD against USD.

Cost of sales

The decrease in cost of sales was in tandem with decline in hotel revenue as stated above.

Other operating income

The increase in other operating income for the financial year was mainly due to compensation from the compulsory acquisition of Euston Hotel in 2018 and government grants from various COVID-19 pandemic relief schemes in UK and Singapore.

Administrative expenses

Lower administrative expenses was mainly due to cost rationalisation measures in the 4th quarter of the financial year amidst the COVID-19 pandemic as well as the depreciation of GBP against USD during the financial year.

Impairment loss on trade receivables

Reversal of impairment loss on trade receivables was mainly due to lower provision required on an improved trade debt aging balances.

Other operating expenses

The increase in other operating expenses was relating to the impairment of hotel properties, write down of development properties, redundancy costs, value added tax ("VAT") arising from discretionary service charge billed to customers in UK, and provision for legacy leases claims against a subsidiary in the UK which had provided a guarantee to a third party in relation to hotel properties previously leased and operated by another subsidiary.

Net financing costs

Higher financing costs was mainly due to the addition of interest expense on lease liabilities following the adoption of IFRS 16 during the year.

Income tax expense

Lower income tax expense was primarily due to lower tax charge on decreased royalty income as well as the recognition of deferred tax benefits at hotel segment arising from the adoption of IFRS 16 during the year.

Statement of Comprehensive Income

Total comprehensive loss for the year was US\$51.2 million. This included a net foreign exchange loss of US\$21.4 million as a result of translating the books of the Group's UK and Australia subsidiaries which are denominated in GBP and AUD into the Group's reporting currency, which is USD. As at the end of 30 June 2020, GBP and AUD depreciated by 3% and 2% respectively against the USD as compared to 30 June 2019.

Statement of Financial Position

The Group's net assets before non-controlling interests decreased by 18% from US\$1,076.3 million as at 30 June 2019 to US\$885.4 million as at 30 June 2020.

Excluding the effects of currency translation, other significant factors that affected the Group's net assets as at 30 June 2020 were as follows:

- a) Hotels, property and equipment – increase was mainly due to the recognition of ROU assets following the adoption of IFRS16 since 1 July 2019.
- b) Deferred tax assets / liabilities – increase in deferred tax assets and decrease in deferred tax liabilities were mainly due to the recognition of deferred tax assets following the adoption of IFRS16 since 1 July 2019.
- c) Development properties – decrease was mainly due to write down of assets value during the year.
- d) Trade and other receivables – decrease was mainly due to lower trade receivables and prepayment for the hotel segment resulting from temporarily closure of our hotels in UK in 4th quarter of the financial year amidst the COVID-19 pandemic.
- e) Long term loan and borrowings – decrease was due to partial repayment during the year.
- f) Lease liabilities – increase was mainly due to the recognition of lease liabilities following the adoption of IFRS16 since 1 July 2019.
- g) Provisions – increase was mainly due to provision for legacy leases claim, redundancy costs and value added tax arising from discretionary service charge billed to customers in UK.
- h) Trade and other payables – decrease was due to scheduled settlement of creditor balances and timing differences on suppliers' billing as well as reduced supplies for hotels operation following the temporarily closure of our hotels in UK in 4th quarter of the financial year amidst the COVID-19 pandemic.
- i) Corporate tax payable – decrease mainly due to tax provision on lower royalty income receipt during the year.

Statement of Cash Flows

Net cash inflow of US\$0.6 million at the end of the year compared with net cash outflow of US\$8.0 million in the previous year. This was primarily due to the one-off receipt of Euston CPO compensation, lower partial repayment of long term loan and borrowings and lower capital expenditures in hotel segment during the year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group had not previously released any forecast or prospect statements.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The COVID-19 pandemic has greatly impacted our hotel operations in the United Kingdom ("UK"). All of the Group's hotels were closed in late March 2020 in compliance with a directive from the UK government. With the easing of restrictions in the UK in July 2020 which allows businesses (including pubs, restaurants and hotels) to reopen provided they abide by guidelines from the UK government, our hotels are re-opening on a phased basis depending on demand in their locality. At present, two have resumed operations, with more scheduled to reopen in the coming months.

In the near term, the pandemic is expected to restrict international travel, translating into weak demand for hotel rooms in London. The Group continues to implement cost reduction initiatives, defer non-business critical capital projects in order to preserve working capital and liquidity, and monitor the situation so as to adapt its response to developments as they arise during this unprecedented crisis.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend: First and Final (one-tier tax exempt)

Dividend type: Cash

Dividend rate: S\$0.022 per ordinary share

Par value of shares: US\$0.20

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared in respect of the current financial year. As a result of the uncertainties surrounding our hotel segment operating environment, the Board of Directors believes that it would be prudent not to pay a dividend for the financial year. This will allow the Group to conserve cash to meet its operational requirements.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for interested person transactions.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the previous corresponding period

30 June 2020

	Hotels US\$m	Oil and gas US\$m	Property development US\$m	Others US\$m	Total continuing operations US\$m	Gaming discontinued operation US\$m	Grand total US\$m
Revenue	230.0	25.2	3.0	–	258.2	–	258.2
Cost of sales	(157.1)	(2.9)	*	–	(160.0)	–	(160.0)
Gross profit	72.9	22.3	3.0	–	98.2	–	98.2
Other operating income	22.6	0.2	1.0	0.5	24.3	–	24.3
Administrative expenses	(43.7)	(1.1)	(5.3)	(3.8)	(53.9)	–	(53.9)
Impairment loss on trade receivables	0.1	–	*	–	0.1	–	0.1
Other operating expenses	(34.7)	–	(13.1)	–	(47.8)	–	(47.8)
Operating profit / (loss)	17.2	21.4	(14.4)	(3.3)	20.9	–	20.9
Finance income	0.9	–	–	0.6	1.5	–	1.5
Finance costs	(46.5)	–	–	(1.5)	(48.0)	–	(48.0)
Net financing (costs) / income	(45.6)	–	–	(0.9)	(46.5)	–	(46.5)
(Loss) / profit before tax	(28.4)	21.4	(14.4)	(4.2)	(25.6)	–	(25.6)
Income tax expense	6.7	(7.8)	–	–	(1.1)	–	(1.1)
(Loss) / profit for the year	(21.7)	13.6	(14.4)	(4.2)	(26.7)	–	(26.7)

30 June 2019

	Hotels US\$m	Oil and gas US\$m	Property development US\$m	Others US\$m	Total continuing operations US\$m	Gaming discontinued operation US\$m	Grand total US\$m
Revenue	317.0	29.2	3.1	–	349.3	–	349.3
Cost of sales	(218.8) ^	(3.1) ^	*	–	(221.9) ^	–	(221.9) ^
Gross profit	98.2	26.1	3.1	–	127.4	–	127.4
Other operating income	0.2	–	–	0.3	0.5	17.2	17.7
Administrative expenses	(47.7) ^	(1.2) ^	(5.2)	(4.3)	(58.4) ^	(1.3)	(59.7) ^
Impairment loss on trade receivables	(0.7)	–	*	–	(0.7)	–	(0.7)
Other operating expenses	(11.4)	–	(4.9)	–	(16.3)	–	(16.3)
Operating profit / (loss)	38.6	24.9	(7.0)	(4.0)	52.5	15.9	68.4
Finance income	1.1	–	–	0.5	1.6	*	1.6
Finance costs	(12.6)	–	–	(0.6)	(13.2)	*	(13.2)
Net financing (costs) / income	(11.5)	–	–	(0.1)	(11.6)	*	(11.6)
Profit / (loss) before tax	27.1	24.9	(7.0)	(4.1)	40.9	15.9	56.8
Income tax benefit/(expense)	2.5	(9.3)	0.2	*	(6.6)	0.1	(6.5)
Profit / (loss) for the year	29.6	15.6	(6.8)	(4.1)	34.3	16.0	50.3

* Amount less than US\$0.1m

^ Reclassification of hotel depreciation and intangible asset amortisation from administrative expenses to cost of sales for comparative purpose.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The Group's revenues were significantly impacted by the COVID-19 pandemic and the decline in oil prices in the 4th quarter of the financial year as well as the weakened GBP and AUD against USD. Both hotel revenue and oil and gas royalty income were lower compared to previous financial year. Set out below are factors which affected the Group's segmental revenue and earnings.

The hotel segment recorded lower revenue as a result of the temporary closure of our hotels in United Kingdom in 4th quarter of the financial year due to the COVID-19 pandemic. In addition, impairment losses on hotel properties and provisions for restructuring measures have further lowered the earnings during the financial year. Apart from the above, the adoption of new IFRS16 has resulted in higher expenses due to timing differences on the depreciation charge for ROU assets and interest expenses on lease liabilities compared to the operating lease expenses used previously.

The oil and gas segment reported lower year-on-year earnings due to lower crude oil prices, lower production volumes as well as the weakening of AUD against USD.

Property development reported lower earnings mainly due to write down of the value of development properties during the year.

16. A breakdown of sales (Continuing operations)

	Latest Financial Year US\$m	Previous Financial Year US\$m	Favourable / (unfavourable) variance %
Revenue reported for first half year	193.3	191.0	1
Operating profit after tax before deducting non-controlling interest for first half year	26.9	33.2	(19)
Revenue reported for second half year	64.9	158.3	(59)
Operating (loss) / profit after tax before deducting non-controlling interest for second half year	(53.6)	1.1	N.M.

17. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year US\$m	Previous Full year US\$m
Final cash dividend	-	22.3 *

*estimated based on share capital of 1,368,063,633 ordinary shares at the end of the financial year.

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

GL Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

SUSAN LIM
Group Company Secretary

26 August 2020

APPENDIX 1



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Independent auditors' report

To The Members of GL Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of GL Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020, the consolidated income statement of the Group, statements of comprehensive income and statements of changes in equity of the Group and the Company and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS75.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 June 2020 and the financial performance, changes in equity of the Group and the Company, and the cash flows of the Group for the year ended on that date in accordance with the International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of hotels, property and equipment

(Refer to Note 10 to the financial statements)

Risk

As at 30 June 2020, the Group's hotel portfolio comprise 15 hotels located in the United Kingdom with a carrying amount of US\$949.3 million (2019: US\$985.1 million) and the related right of use assets of US\$528.8 million (2019: US\$Nil). These assets account for 80% (2019: 72%) of the Group's total assets. The Group's hospitality business has been significantly impacted by COVID-19 pandemic.

Hotels, property and equipment are measured at cost less accumulated depreciation and impairment losses.

The process of identifying indicators of impairment and assessing the recoverable amount of hotel properties by management involves significant judgement and estimation. The recoverable amount is sensitive to key assumptions applied in deriving future cash flows, growth rate and discount rate, i.e. a small change in the assumptions can have a significant impact on the recoverable amount.

During the year, an impairment loss of US\$24.3m (2019: US\$9.1m) was recognised on certain hotels as their recoverable amounts using value in use were assessed to be lower than the carrying amounts.

Our response

We evaluated the Group's process for identification of indicators of impairment of the hotels. For each hotel (being individual cash-generating unit) with an indicator of impairment, we tested the integrity of key assumptions applied in estimating the recoverable amount using value in use. We involved our valuation specialist to assess the reasonableness of key assumptions applied in the value in use computation of each hotel, including historical earnings before interest, taxation, depreciation and amortisation ("EBITDA"), growth rate and discount rate of each hotel. Our assessment was primarily based on comparison of key assumptions against historical operating statistics and available industry data, taking into consideration comparability and market factors.

Our findings

The Group has a structured process in place to periodically identify indicators of impairment of the hotels. The basis and assumptions applied for computation of value in use of each hotel with an indicator of impairment are supported by historical operating statistics and relevant comparable industry data.

Valuation of development properties

(Refer to Note 14 to the financial statements)

Risk

The Group held the development properties, comprising land parcels in Hawaii since 1987. As at 30 June 2020, the carrying amount of the development properties was US\$171.6 million (2019: US\$184.7 million). Development properties are stated at the lower of their costs and their net realisable values.



In relation to the Group's net realisable value assessment, the Group had engaged an independent valuer to arrive at a market value as at 30 June 2020 from which estimated selling cost is deducted to arrive at an estimate of the net realisable value.

The valuer had used the direct comparison approach and where the properties were either income producing or have the benefit of improvements, the income capitalisation approach and the depreciated replacement cost approach was used, respectively. The valuation process involves significant judgement and estimation uncertainty in determining the appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied as disclosed in Note 14.

As at 30 June 2020, the estimated net realisable values of certain land plots were assessed as being lower than the carrying amounts. Accordingly, a write-down of US\$13.1m was recognised.

Our response

We evaluated the competence and objectivity of the independent valuer and held discussions with the valuer to understand their valuation methods and assumptions used. We considered the valuation methodologies used against those applied by other valuers for similar property types. We also assessed the reasonableness of the key assumptions, which included the latest transaction prices of properties within the same vicinity in Hawaii used in the valuation and reasoned adjustments to the comparable data to reflect market conditions, quality, condition, access, services, position, and location of the properties.

Our findings

The valuer is a member of a recognised professional body for valuers and have considered their own independence in carrying out their work. We found that the valuation methodologies adopted by the valuer are in line with generally accepted market practices and the key assumptions used are within range of available market data. We observed that management estimate of selling costs to be within a reasonable market range.

Other information

Management is responsible for the other information contained in the annual report. The other information comprises Corporate Profile, Corporate Information, Group Financial Highlights, Chairman's Statement, Board of Directors, Management Team, Sustainability Report and Corporate Governance Report, which we obtained prior to the date of this auditors' report, and the Directors' and Substantial Shareholders' Interests and Statistics of Shareholdings which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' and Substantial Shareholders' Interests and Statistics of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Group's internal controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Ronald Tay Ser Teck.


KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
26 August 2020