

Financial Statements and Related Announcement::First Quarter Results


Issuer & Securities

Issuer/ Manager	GL LIMITED
Securities	GL LIMITED - BMG392401094 - B16
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Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Designation	Group Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached Unaudited Financial Statement and Related Announcement for First Quarter Ended 30 September 2018.

Additional Details

For Financial Period Ended	30/09/2018
Attachments	<p> SGX-FS-Q12019.pdf</p> <p>Total size =354K</p>

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Unaudited Financial Statement And Related Announcement For First Quarter Ended 30 September 2018

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

	Unaudited 1 st Quarter Ended		Favourable / (unfavourable) variance %
	1 July to 30 Sep 2018 US\$m	1 July to 30 Sep 2017 US\$m	
<u>Continuing operations</u>		<i>(Re-presented)</i>	
Revenue	95.9	97.8	(2)
Cost of sales	(38.0)	(39.0)	3
Gross profit	57.9	58.8	(2)
Other operating income	*	*	N.M.
Administrative expenses	(31.8)	(31.9)	0
Other operating expenses	(0.4)	–	N.M.
Operating profit	25.7	26.9	(4)
Finance income	0.3	0.2	50
Finance costs	(3.8)	(3.2)	(19)
Net financing costs	(3.5)	(3.0)	(17)
Profit before tax	22.2	23.9	(7)
Income tax expense	(5.7)	(4.7)	(21)
Profit from continuing operations, net of tax	16.5	19.2	(14)
<u>Discontinued operation</u>			
Loss from discontinued operation, net of tax	(0.3)	(1.8)	83
Profit for the period	16.2	17.4	(7)
Profit / (loss) attributable to:			
Owners of the Company	16.2	17.4	(7)
Non-controlling interests	*	*	N.M.
Profit for the period	16.2	17.4	(7)

Note to Income Statement

	Unaudited 1 st Quarter Ended		Favourable / (unfavourable) variance %
	1 July to 30 Sep 2018 US\$m	1 July to 30 Sep 2017 US\$m	
Profit before tax is stated after (charging) / crediting:		<i>(Re-presented)</i>	
Depreciation of hotels, property and equipment	(4.6)	(4.9)	6
Amortisation of intangible assets	(0.8)	(0.9)	11
Impairment of property and equipment	(0.4)	–	N.M.

* Amount less than US\$0.1m

Note: N/M - not meaningful

1(a)(ii) Statement of Comprehensive Income

	Unaudited 1 st Quarter Ended		Favourable / (unfavourable) variance %
	1 July to 30 Sep 2018 US\$m	1 July to 30 Sep 2017 US\$m	
Profit for the period	16.2	(Re-presented) 17.4	(7)
Other comprehensive income:			
<u>Items that will not be reclassified to profit or loss:</u>			
Change in fair value of available-for-sale investment	*	*	N.M.
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Net exchange differences from consolidation of foreign operations	(10.0)	24.3	N.M.
Change in fair value of cash flow hedge, net of tax	1.3	0.9	44
Other comprehensive income for the period, net of income tax	(8.7)	25.2	N.M.
Total comprehensive income for the period	7.5	42.6	(82)
Total comprehensive income attributable to:			
- Owners of the Company			
Continuing operations	8.0	43.7	(82)
Discontinued operation	(0.5)	(1.1)	55
- Non-controlling interests	*	*	N.M.
Total comprehensive income for the period	7.5	42.6	(82)

* Amount less than US\$0.1m

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	
	Unaudited 30 Sep 2018 US\$m	Audited 30 June 2018 US\$m	Unaudited 30 Sep 2018 US\$m	Audited 30 June 2018 US\$m
ASSETS				
Hotels, property and equipment	1,003.8	1,009.2	–	–
Intangible assets	67.7	70.1	–	–
Investments in subsidiaries	–	–	1,225.6	1,225.6
Pensions surplus	11.3	11.4	–	–
Other investments	0.2	0.2	–	–
TOTAL NON-CURRENT ASSETS	1,083.0	1,090.9	1,225.6	1,225.6
Inventories	0.5	0.4	–	–
Development properties	184.7	184.4	–	–
Trade and other receivables	37.1	42.8	0.3	0.3
Advances to subsidiaries	–	–	115.8	111.0
Cash and cash equivalents	87.2	105.4	1.0	6.5
Assets held for sale	31.3	31.7	–	–
TOTAL CURRENT ASSETS	340.8	364.7	117.1	117.8
TOTAL ASSETS	1,423.8	1,455.6	1,342.7	1,343.4
LIABILITIES				
Trade and other payables	67.9	69.6	0.7	1.0
Corporate tax payable	7.3	5.1	–	–
Provisions	0.2	0.2	–	–
TOTAL CURRENT LIABILITIES	75.4	74.9	0.7	1.0
Loans and borrowings	216.7	255.8	–	–
Pension obligations	2.4	2.5	–	–
Deferred tax liabilities	18.2	18.1	–	–
Derivative financial liability	3.3	4.3	–	–
TOTAL NON-CURRENT LIABILITIES	240.6	280.7	–	–
TOTAL LIABILITIES	316.0	355.6	0.7	1.0
NET ASSETS	1,107.8	1,100.0	1,342.0	1,342.4
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	1,110.4	1,102.6	1,342.0	1,342.4
Non-controlling interests	(2.6)	(2.6)	–	–
TOTAL EQUITY	1,107.8	1,100.0	1,342.0	1,342.4

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 September 2018		As at 30 June 2018	
Secured US\$m	Unsecured US\$m	Secured US\$m	Unsecured US\$m
-	-	-	-

Amount repayable after one year

As at 30 September 2018		As at 30 June 2018	
Secured US\$m	Unsecured US\$m	Secured US\$m	Unsecured US\$m
74.1	142.6	75.0	180.8

Details of any collateral

As at 30 September 2018, the Group's unsecured borrowings that are repayable after one year was US\$142.6 million. The Group continues to have banking lines for its funding requirements.

The Group's secured borrowings as at 30 September 2018 of US\$74.1 million and repayable after one year, are secured by a hotel owned by the Group with a net book value of US\$116.3 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

	Unaudited 1st Quarter ended	
	1 July to 30 Sep 2018 US\$m	1 July to 30 Sep 2017 US\$m
OPERATING ACTIVITIES		
Profit before tax from continuing operations	22.2	23.9
Loss before tax from discontinued operation	(0.3)	(1.8)
Adjustments for non-cash items		
Depreciation of hotels, property and equipment	4.6	4.9
Amortisation of intangible assets	0.8	0.9
Impairment of property and equipment	0.4	–
Share option benefits, doubtful debts and others	0.7	0.5
Gain on disposal of property and equipment	*	–
Net financing costs	3.5	3.0
Net change in working capital items		
Inventories / development properties	(0.3)	(0.4)
Trade and other receivables	5.7	3.6
Trade and other payables	(3.0)	(6.0)
Pension surplus and obligations / provisions	(0.1)	(0.1)
Cash generated from operations	34.2	28.5
Income tax paid	(3.5)	(2.8)
CASH FLOWS FROM OPERATING ACTIVITIES	30.7	25.7
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	*	–
Acquisition of hotels, property and equipment	(10.1)	(6.3)
CASH FLOWS USED IN INVESTING ACTIVITIES	(10.1)	(6.3)
FINANCING ACTIVITIES		
Repayment of long-term borrowings	(36.8)	–
Interest received	0.2	0.1
Interest paid	(1.6)	(1.8)
Other financing costs	*	(0.1)
Realised exchange gain / (loss) on financial derivatives	*	(0.1)
CASH FLOWS USED IN FINANCING ACTIVITIES	(38.2)	(1.9)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(17.6)	17.5
Cash and cash equivalents at the beginning of the year	105.4	69.9
Effect of exchange rate fluctuations on cash held	(0.6)	1.9
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD #	87.2	89.3

* Amount less than US\$0.1m

Including bank overdraft of Nil (2017: US\$6.0 million) under loan and borrowings.

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 Jul 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 period	-	-	-	-	-	-	-	-	16.2	16.2	*	16.2
Other comprehensive income:												
Net exchange differences from consolidation of foreign operations	-	-	(10.0)	-	-	-	-	-	-	(10.0)	*	(10.0)
Changes in fair value of available-for-sale investments	-	-	-	*	-	-	-	-	-	*	-	*
Changes in fair value of cash flow hedges, net of tax	-	-	-	-	1.3	-	-	-	-	1.3	-	1.3
Total other comprehensive income, net of tax	-	-	(10.0)	*	1.3	-	-	-	-	(8.7)	*	(8.7)
Total comprehensive income for the period, net of tax	-	-	(10.0)	*	1.3	-	-	-	16.2	7.5	*	7.5
<i>Transactions with owners, recorded directly in equity:</i>												
Value of employee services received for issue of share options	-	-	-	-	-	-	0.3	-	-	0.3	-	0.3
Total transactions with owners	-	-	-	-	-	-	0.3	-	-	0.3	-	0.3
Balance at 30 Sep 2018	273.6	654.2	(260.8)	(0.8)	(2.2)	(1.6)	3.3	(46.2)	490.9	1,110.4	(2.6)	1,107.8
Balance at 1 Jul 2017	273.6	654.2	(257.2)	(0.7)	(6.7)	(1.6)	3.4	(46.2)	431.0	1,049.8	(2.5)	1,047.3
Profit / (loss) for the period	-	-	-	-	-	-	-	-	17.4	17.4	*	17.4
Other comprehensive income:												
Net exchange differences from consolidation of foreign operations	-	-	24.3	-	-	-	-	-	-	24.3	*	24.3
Changes in fair value of available-for-sale investments	-	-	-	*	-	-	-	-	-	*	-	*
Changes in fair value of cash flow hedges, net of tax	-	-	-	-	0.9	-	-	-	-	0.9	-	0.9
Total other comprehensive income, net of tax	-	-	24.3	*	0.9	-	-	-	-	25.2	*	25.2
Total comprehensive income for the period, net of tax	-	-	24.3	*	0.9	-	-	-	17.4	42.6	*	42.6
<i>Transactions with owners, recorded directly in equity:</i>												
Value of employee services received for issue of share options	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Total transactions with owners	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Balance at 30 Sep 2017	273.6	654.2	(232.9)	(0.7)	(5.8)	(1.6)	3.6	(46.2)	448.4	1,092.6	(2.5)	1,090.1

* 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 Jul 2018	273.6	654.2	(1.6)	2.7	(46.2)	459.7	1,342.4
Loss for the period	–	–	–	–	–	(0.4)	(0.4)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period, net of tax	–	–	–	–	–	(0.4)	(0.4)
Balance at 30 Sep 2018	273.6	654.2	(1.6)	2.7	(46.2)	459.3	1,342.0
Balance at 1 Jul 2017	273.6	654.2	(1.6)	2.7	(46.2)	733.7	1,616.4
Loss for the period	–	–	–	–	–	(5.7)	(5.7)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period, net of tax	–	–	–	–	–	(5.7)	(5.7)
Balance at 30 Sep 2017	273.6	654.2	(1.6)	2.7	(46.2)	728.0	1,610.7

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 Share	As at 30 Sep 2018	As at 30 June 2018
Issued and fully paid ordinary share	1,368,063,633	1,368,063,633

Share Options	1 st Quarter ended	
	30 Sep 2018	30 Sep 2017
(a) Grant of share options under ESOS 2008:		
As at 1 July	37,250,000	19,500,000
Options granted	–	–
Options lapsed	–	–
As at 30 September	37,250,000	19,500,000
(b) Number of shares held in the ESOS Trust to be transferred to eligible employees to satisfy the outstanding share options under the ESOS 2008	68,295,000	68,295,000

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

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 Sep 2018	As at 30 June 2018
Total issued ordinary shares	1,368.1 million	1,368.1 million
Less: Number of shares acquired by the ESOS Trust for ESOS 2008	(68.3) million	(68.3) million
Total issued ordinary shares excluding shares acquired by the ESOS Trust for ESOS 2008	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 not been audited nor reviewed by the Group's auditors.

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

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 quarter ended 30 September 2018 as with the audited financial statements for the financial year ended 30 June 2018.

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.

The Group has adopted the new IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* effective for the financial period beginning 1 July 2018. The adoption of these standards did not result in substantial changes to the accounting policies and had no significant effect on the financial performance or position of the Group.

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.

	Unaudited 1 st Quarter	
	30 Sep 2018	30 Sep 2017
<u>Earnings per share</u>		
Basic earnings per share (US cents)	1.3	1.3
Diluted earnings per share (US cents)	1.3	1.3
<u>Earnings per share - continuing operations</u>		
Basic earnings per share (US cents)	1.3	1.5
Diluted earnings per share (US cents)	1.3	1.5

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 2008.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital 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)	Unaudited 1 st Quarter	Audited Full Year
	30 Sep 2018	30 June 2018
The Group	85.4	84.8
The Company	103.3	103.3

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 2008.

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

Profit after tax for the quarter ended 30 September 2018 was US\$16.2 million, a decrease of 7% compared to US\$17.4 million in the previous corresponding quarter. The following review sets out the factors that affected profit after tax for the period:

Revenue

Revenue declined 2% to US\$95.9 million compared to previous corresponding quarter due mainly to lower revenue generated from hotel segment.

Hotel revenue was lower compared to previous corresponding quarter primarily due to higher F&B and M&E revenue in last year driven by non-repeating events, and the closure of Thistle Euston Hotel in October 2017 as a result of the compulsory acquisition for future high speed railway project in London.

However, this was offset by higher revenue generated from oil and gas segment due to higher average crude oil and gas price during the quarter.

Cost of sales

The decrease in cost of sales was in line with the decrease in hotel revenue during the quarter.

Other operating expenses

The increase in other operating expenses was related to the impairment of obsolete hotel furniture and equipment.

Net financing costs

Higher financing costs was due to release of hedging cost from an existing interest rate swap hedging reserve following the partial repayment of loan and borrowings during the quarter.

Income tax expense

Higher income tax expense was associated with higher earnings from oil and gas segment.

Loss from discontinued operation

The gaming segment had ceased operation on 29 March 2018 and reclassified to discontinued operation during the quarter.

Statement of Comprehensive Income

Total comprehensive income for the quarter was US\$7.5 million. This included a net foreign exchange loss of US\$10.0 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 September 2018, GBP and AUD depreciated by 1% and 2% respectively against the USD as compared to 30 June 2018.

Statement of Financial Position

The Group's net assets before non-controlling interests increased by 1% from US\$1,102.6 million as at 30 June 2018 to US\$1,110.4 million as at 30 September 2018.

Excluding the effects of currency translation, other significant factors that affected the Group's net assets as at 30 September 2018 were as follows:

- a) Trade and other receivables – decrease was primarily due to lower prepayment for the hotel segment during the quarter.
- b) Cash and cash equivalents – decrease was mainly due to the partial repayment of long-term loan and borrowings during the quarter.
- c) Trade and other payables – decrease was due to scheduled settlement of creditor balances and timing differences on suppliers' billing.
- d) Corporate tax payable – increase was mainly due to tax provision for the hotel earnings during the quarter.
- e) Long term loan and borrowings – decrease was due to partial repayment during the quarter.
- f) Derivative financial liability – decrease was due to fair value adjustment for existing interest rate swap contract.

Statement of Cash Flows

Net cash outflow of US\$17.6 million at the end of the quarter compared with net cash inflow of US\$17.5 million in the previous corresponding quarter. This was primarily due to the partial repayment of long-term loan and borrowings during the quarter.

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

Weaker UK economic growth is expected to persist in the next 12 months as Brexit continues to cast significant uncertainty over the economy. There remain pressures on UK household spending and real income growth is expected to remain subdued. The hike in London's new room supply during 2018 will continue to depress growth in hotels' average daily rates. However, London is still enjoying record high occupancies. The Group continues to focus on an occupancy-led strategy in order to uphold RevPAR and protect its market share, and maintains its cautious outlook.

The refurbishment of The Cumberland Hotel is progressing into its final stage and the hotel is on track for its launch as Hard Rock Hotel London in 2019. The Group's total rooms available for sale will continue to be affected during this refurbishment period.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements of GL Limited for the three months ended 30 September 2018 to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD

SUSAN LIM
Group Company Secretary

25 October 2018