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Annual Report **2019**



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Corporate Information

Amba Hotel Charing Cross



CORPORATE PROFILE

GL Limited ("**GL**") is the holding company of an international hospitality group headquartered in Singapore. GL was founded in 1961 and is listed on the Main Board of Singapore Exchange Securities Trading Limited.

GL's core hospitality business is operated out of GLH Hotels Limited ("**GLH**") in the United Kingdom. GLH is the largest owner-operator hotel company in London. 13 of its hotels – including iconic hotels The Grosvenor Hotel, The Royal Horseguards Hotel and The Tower Hotel – are in top London locations. GLH operates the majority of its hotels under four owned brands – Amba Hotels, Guoman Hotels, Thistle Hotels and Thistle Express Hotels. It also operates Hard Rock Hotel London under the Hard Rock brand.

In addition to its hospitality business, GL owns real estate in Hawaii and rights to royalties from the production of oil and natural gas in the Bass Strait, Australia.



The Grosvenor Hotel

GROUP FINANCIAL HIGHLIGHTS
5-YEAR SUMMARY

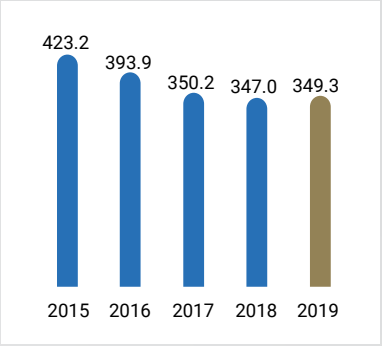


Hard Rock Hotel London

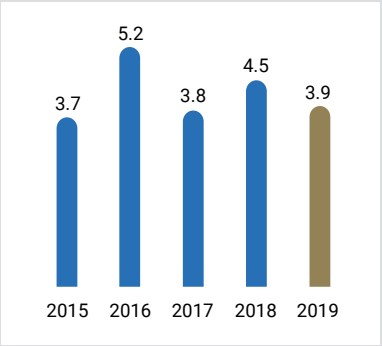
	2015	2016	2017	2018	2019
Consolidated Income Statement					
Revenue (US$million)	423.2	393.9	350.2	347.0	**349.3**
Profit attributable to owners of the Company (US$million)	47.9	67.6	49.0	59.0	**50.3**
Consolidated Statement of Financial Position					
Total assets (US$million)	1,624.6	1,432.6	1,412.1	1,455.6	**1,368.1**
Equity attributable to owners of the Company (US$million)	1,152.1	1,051.2	1,049.8	1,102.6	**1,076.3**
Ratios					
Earnings per share (US cents)	3.7	5.2	3.8	4.5	**3.9**
Dividend per share (SG cents)	2.2	2.2	2.2	2.2	**2.2**
Net assets per share (US cents)	88.6	80.9	80.8	84.8	**82.8**
Debt to equity (%)	26.7	20.6	17.4	13.7	**10.7**



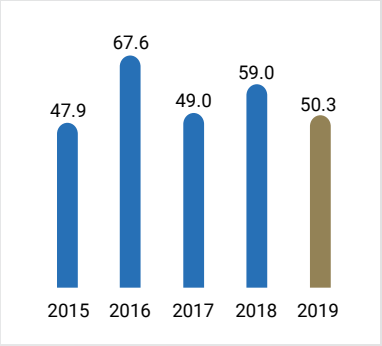
Revenue
(US$'M)



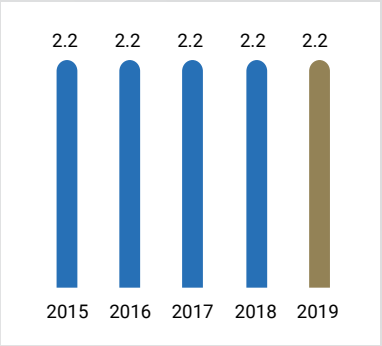
Earnings per share
(US cents)



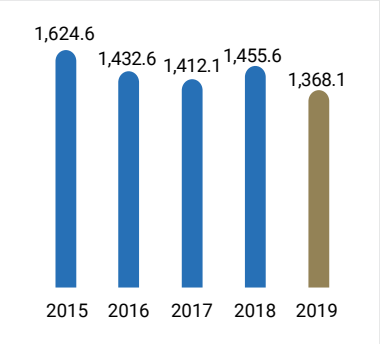
Profit attributable to owners of the Company
(US$'M)



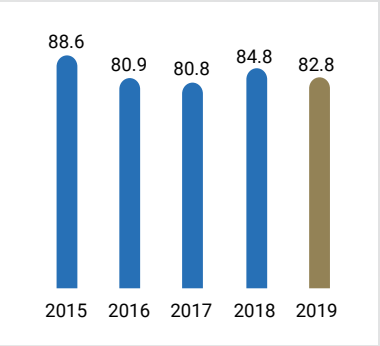
Dividend per share
(SG cents)



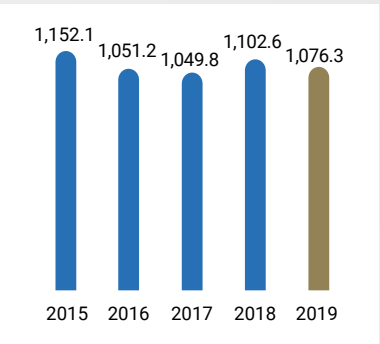
Total assets
(US$'M)



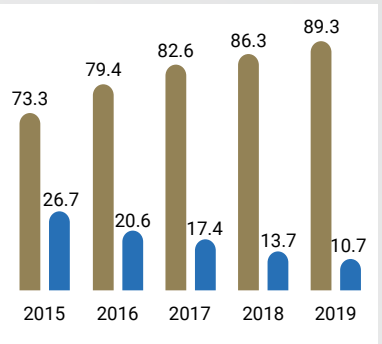
Net assets per share
(US cents)



Equity attributable to owners of the Company
(US$'M)



Debt to Equity
(%)



CHAIRMAN'S **STATEMENT**



THE GROUP CONTINUES TO MOVE FORWARD WITH ITS HOTEL TRANSFORMATION PLANS WHILE RESPONDING TO THE FAST-CHANGING OPERATING ENVIRONMENT WITH COST-CONTROL MEASURES IMPLEMENTED THROUGHOUT ITS HOSPITALITY BUSINESS.

Hard Rock Hotel London

For GL Limited and its subsidiaries (collectively "**Group**"), the financial year ended 30 June 2019 ("**FY2019**") was another challenging year, fraught with geo-political tensions and uncertainty. The hospitality industry faced a range of economic headwinds and political uncertainty, including Brexit and a weakened sterling pound resulting in imported inflation and cost pressures, which look set to continue in the current year.

Following the closure of The Clermont Club in March 2018, the Group disposed of its wholly-owned UK gaming subsidiary, Clermont Leisure (UK) Ltd ("**CLUK**") in FY2019. With this disposal, the Group is no longer in the gaming business.

Despite the current uncertainty posted by Brexit, the Group remains positive on the long-term prospects of the London hospitality market. With its established infrastructure and connectivity to the world, London remains a key hub and a popular leisure destination. The Group continues to move forward with its hotel transformation plans while responding to the fast-changing operating environment with cost-control measures implemented throughout its hospitality business.

GLH HOTELS

The Group's hotel division GLH Hotels ("**GLH**") generated a profit after tax of US$29.6 million for FY2019. This was lower than for the last financial year, due to a one-off profit after tax compensation of US$22.8 million recorded in the last financial year for the compulsory purchase of the Thistle Euston Hotel. The hotel division's results were also affected by the renovations undertaken at The Cumberland Hotel, which was rebranded and reopened as Hard Rock Hotel London.

International leisure travel held up relatively well; boosting GLH room occupancy, and provided the opportunity to yield higher rates during peak seasons. This resulted in a higher hotel RevPAR on a like-for-like basis compared to the previous financial year.

Hard Rock Hotel London opened on 30 April 2019 to much anticipation. Since its opening, the hotel's occupancy has gradually ramped up, and the average room rate has climbed by 30% on a year-on-year basis. We are cautiously optimistic that the hotel's performance will continue to improve going forward.

With weak global economic conditions expected to prevail in the current financial year and an additional supply of hotel rooms entering the London market, hotel RevPAR is likely to come under pressure. The Group maintains its cautious outlook and continues with its hotel refurbishment programme - The Grosvenor Hotel is currently undergoing refurbishment and will be relaunched as an Amba Hotel in late 2019.

BASS STRAIT OIL ROYALTY

The FY2019 royalty income of US$29.2 million, largely driven by higher crude oil and gas prices, is higher than for the previous financial year. This asset continues to be a significant profit contributor to the Group.





Hard Rock Hotel London Cafe

MOLOKAI PROPERTIES

The Group's investment on the island of Molokai in Hawaii is held through Molokai Properties Limited ("**MPL**"). MPL owns more than 54,000 acres of land, cattle ranching operations, and water and wastewater operations on the island of Molokai. MPL's loss after tax for FY2019 amounted to US$7.0 million. We continue to explore options for monetising this asset while, at the same time, undertaking diligent cost management to contain operating losses.

SUSTAINABILITY REPORT

The Group recognises the importance of sustainable business practices as our business grows. We continue to look for ways to improve on such practices, and to adhere to the sustainability reporting requirements of Singapore Exchange Securities Trading Limited.

MANAGEMENT CHANGES

On 5 July 2019, the Group announced that Mr Neil Gallagher would step down as Chief Executive Officer of GLH with effect from 9 August 2019. On behalf of the Board, I thank Mr Gallagher for his contributions to GLH over the past five years. Mr Gallagher is replaced by Mr Alan Morgan, who brings a wealth of experience in the hospitality and leisure sector.

SUMMARY

I am pleased to announce that the Board is recommending a first and final one-tier tax exempt dividend of 2.2 Singapore cents per share for FY2019.

On behalf of the Board of Directors, I take this opportunity to recognise our management and staff for their efforts and commitment in driving the Group forward despite challenging conditions, and to express our appreciation to our shareholders, customers, business partners and other stakeholders for their continued support over the years.

KWEK LENG HAI
Non-Executive Chairman
23 August 2019



Hard Rock Hotel London

BOARD OF **DIRECTORS**



The Grosvenor Hotel, The Soak

KWEK LENG HAI, 66

Non-Independent

Non-Executive Chairman
Member, Remuneration Committee
Member, Nominating Committee

Mr Kwek was appointed to the Board on 17 May 2005 and was re-elected as a Director at the Company's Annual General Meeting held on 19 October 2017.

Mr Kwek is the Executive Chairman of Guoco Group Limited and the Chairman of Lam Soon (Hong Kong) Limited, both listed on the Main Board of The Stock Exchange of Hong Kong Limited. His directorships in other public listed companies include Hong Leong Bank Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad, GuocoLand Limited which is listed on the Singapore Stock Exchange, and Bank of Chengdu Co., Ltd which is listed on the Shanghai Stock Exchange. He is also a director and shareholder of Hong Leong Company (Malaysia) Berhad.

Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate.

PAUL BROUGH, 62

Independent

Non-Executive Director,
Member, Audit and Risk Management Committee
Chairman, Remuneration Committee
Chairman, Nominating Committee

Mr Brough was appointed to the Board on 1 July 2012 and was re-elected as a Director at the Company's Annual General Meeting held on 19 October 2017.

Mr Brough was Chairman of Noble Group Limited, a company listed on the Singapore Stock Exchange, from 11 May 2017 and became Chairman of its successor company, Noble Group Holdings Limited, which is not listed on the Singapore Stock Exchange, on 21 December 2018.

Mr Brough joined the board of Vitasoy International Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited, as a non-executive director, and assumed the chair of its audit committee in September 2016. He is also a non-executive director of Habib Bank Zurich (Hong Kong) Limited, a Hong Kong based restricted-licence bank, and chair of its audit and risk committee, and a non-executive director of The Executive Centre Limited, a privately owned Hong Kong company, and chair of its audit committee.

On 24 June 2019, Mr Brough joined the Board of Toshiba Corporation, a company listed on the Tokyo Stock Exchange, as a non-executive director.

Mr Brough joined KPMG Hong Kong in 1983 and held appointments as its Head of Consulting in 1995 and as Head of Financial Advisory Services in 1997. In 1999, he was appointed the Asia Pacific Head of KPMG's Financial Advisory Services and a member of its global advisory steering group. He held the position of Regional Senior Partner of KPMG Hong Kong from 2009 before retiring in March 2012.

Mr Brough is an associate of the Institute of Chartered Accountants in England and Wales, an associate of the Hong Kong Institute of Certified Public Accountants and an associate of the Hong Kong Securities Institute.

JENNIE CHUA, 75

Independent

Non-Executive Director
Member, Audit and Risk Management Committee
Member, Remuneration Committee
Member, Nominating Committee

Ms Chua was appointed to the Board on 1 August 2012 and was re-elected as a Director at the Company's Annual General Meeting held on 25 October 2018.

She is Chairman of Vanguard Healthcare, set up by the Ministry of Health and MOH Holdings to grow and support the development of eldercare facilities in Singapore. She is also Chairman of the Singapore Film Commission Advisory Committee and Deputy Chairman of Temasek Foundation International. She is Pro-Chancellor of the Nanyang Technological University.

Ms Chua is a Board Director of MOH Holdings Pte. Ltd. She also sits on MOH Holdings' Healthcare Infrastructure and Planning Committee.

Ms Chua is a Justice of the Peace and Singapore's Non-Resident Ambassador to The United Mexican States.

Ms Chua is a Board Director of two other entities listed on the Singapore Stock Exchange – GuocoLand Limited and Far East Orchard Limited.

Previous positions held include Chairman of Raffles International, President & CEO of Raffles Holdings, CEO of The Ascott Limited. She was Chairman of the Community Chest and Sentosa Cove. She was also the first and only woman Chairman of the Singapore International Chamber of Commerce in its 179-year history.

Ms Chua holds a Bachelor of Science degree from the School of Hotel Administration, Cornell University, New York, USA.

Awards and accolades which she has received include the President's Special Recognition for Volunteerism & Philanthropy, Singapore National Day Awards including the Meritorious Service Medal, Outstanding Contribution to Tourism Award, Women's World Excellence Awards, Travel Personality of the Year Award, amongst others.

TIMOTHY TEO LAI WAH, 67

Independent

Non-Executive Director
Chairman, Audit and Risk Management Committee

Mr Teo was appointed to the Board on 1 July 2013 and is proposed for re-election as a Director at the Company's Annual General Meeting to be held on 24 October 2019.

Mr Teo serves on the boards of St Luke's Elder Care, Jurong Health Fund and Singapore Arts School Ltd.

Besides these appointments, Mr Teo is also a Board member of another Singapore listed company, GuocoLand Limited.

Mr Teo was director in charge of foreign exchange, money market, gold and commodities management in Government of Singapore Investment Corp, Singapore from 1998 to 2007. Prior to this, he was director of Nuri Holdings (S) Pte Ltd, Singapore as consultant for risk management in Jakarta and Los Angeles from 1994 to 1998. Mr Teo was also with JP Morgan for 20 years in various overseas locations at senior management level (Managing Director) in Global Markets.

Mr Teo holds a Masters Degree in Business Administration from Macquarie University, Sydney, Australia.



Hard Rock Hotel London, Rock Royalty Lounge



The Grosvenor Hotel, The Soak

BOARD OF **DIRECTORS**

TANG HONG CHEONG, 64

Non-Independent

Executive Director and
Group Managing Director

Mr Tang was appointed as Executive Director and Group Managing Director of the Company on 15 September 2016 and is proposed for re-election as a Director at the Company's Annual General Meeting to be held on 24 October 2019.

Mr Tang is the President and Chief Executive Officer of Guoco Group Limited and a non-executive director of Lam Soon (Hong Kong) Limited, both listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also a non-executive director of GuocoLand Limited, which is listed on Singapore Stock Exchange.

Mr Tang has held various senior management positions in different companies within the Hong Leong Group. He was the President/Finance Director of HL Management Co Sdn Bhd. He was a director of Southern Steel Berhad, a Hong Leong Group subsidiary listed on the Main Market of Bursa Malaysia Securities Berhad, as well as the non-executive chairman of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr Tang is a member of the Malaysian Institute of Accountants and has more than 40 years' broad-based and C-suite expertise in finance, treasury, risk management, operations and strategic planning. He possesses in-depth knowledge of the investments, as well as the manufacturing, financial services, property development, gaming and hospitality industries.



Hard Rock Hotel London, GMT Lobby Bar



Thistle Piccadilly



Hard Rock Hotel London

MANAGEMENT TEAM



ALAN MORGAN

Chief Executive Officer
GLH Hotels

Mr Morgan was appointed Chief Executive Officer of GLH Hotels in August 2019. He is responsible for all the departmental functions and setting the strategic agenda that will ensure future growth of GLH Hotels.

Mr Morgan's most recent role was Managing Director of Rank PLC where he led the transformation of the retail business.

Mr Morgan's passion has always been in the hospitality sector, having held senior roles in pubs and hotels across Spirit Pub Company, Punch Taverns and Whitbread, a multinational hotel and restaurant company.

HO KAH MENG

Chief Financial Officer
GL Limited

Mr Ho joined the Group in July 2014 and was appointed CFO on 1 August 2014.

He began his career as an auditor at PriceWaterhouse before moving to Citibank Singapore. He has held senior finance and accounting positions with Singapore Marriott Hotel, Ssangyong Cement Limited, and various companies within the Raffles Holdings group.

Mr Ho has 10 years' experience in hotel investments and asset management in Asia Pacific with GIC Real Estate Pte Ltd and Kingdom Hotel Investments. Prior to joining the Group, he was Senior Vice President at GIC Real Estate.

Mr Ho holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

SUSAN LIM

General Counsel/ Group Company Secretary
GL Limited

Ms Lim joined the Group in May 2013.

In the early years of her career, Ms Lim practiced as a litigator. She made the switch from private practice to an in-house counsel position in 1993 when she joined the Pontiac Land Group, a real estate development and hospitality group.

In 2004, Ms Lim left Pontiac to join Pacific Star Holdings Pte. Ltd., which provides investment advisory and asset management services for Asian real estate and where she served as an Executive Vice President and headed the Legal Department.

From 2010 until April 2013, Ms Lim was Senior Director, Legal & Secretariat at KOP Properties Pte. Ltd., a company with real estate, hospitality and lifestyle business interests.

Ms Lim read law at the National University of Singapore and is called to the Singapore Bar.

SUSTAINABILITY **REPORT**



The Tower Hotel, Vicinity

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15 Environmental Stewardship

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18 Human Capital Management

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MESSAGE FROM THE GROUP MANAGING DIRECTOR

GL Limited ("**we**" and "**our**") takes pleasure in presenting our third annual sustainability report.

We pride ourselves on our strong values and the endeavours we undertake to embrace sustainable business practices. Our Board considers sustainability to be key to strategic formulation and oversees the management of our sustainability agenda across critical environmental, social and governance issues. This sustainability report consolidates and showcases our sustainability vision to our various stakeholders.

To illustrate our commitment to improving our practices, we have developed and implemented a dashboard for easier access and better monitoring of our resource consumption. The dashboard tracks energy, water and waste metrics at a granular level across all our hotels. Through this initiative, we are able to adjust our practices in real time for better alignment with our annual sustainability targets.

While there is much political uncertainty in the United Kingdom ("**UK**"), the UK hospitality industry must raise its standards to weather the storm and continue providing havens for guests to enjoy. In this quest, it is imperative that there is continuous training and development of employees. Additionally, employees across industries, especially millennials, now have greater expectations of their employers. They seek career development and clear progression opportunities. In this aspect, we are proud of our achievement in increasing average hours of training per employee from 4.3 to 15.7 hours in the financial year ended 30 June 2019. This improvement can be attributed in part to the successful refresh of the Learning Zone, our e-learning website. With a greater selection of training modules across various skill-sets and improved system user-friendliness, we have seen a higher level of engagement from our employees.

These are only a selection of our efforts and successes, with many others featured in the report. We hope you will find this report informative.

ABOUT THIS REPORT

This is our third annual sustainability report in line with the sustainability reporting requirements of Singapore Exchange ("**SGX**") and Hong Kong Exchange ("**HKEX**").



Amba Hotel Marble Arch

This report presents data and information for the financial year ended 30 June 2019 ("**FY2019**") and covers our core hospitality business which is operated out of GLH Hotels Limited ("**GLH**") in the United Kingdom. GLH owns and/or operates hotels in the United Kingdom, and is the largest owner-operator hotel company in London. Our hotel portfolio includes 13 hotels in top London locations. Our primary brands include Amba Hotels, Guoman Hotels, Thistle Hotels and Thistle Express Hotels.

In 2019, we are pleased to have opened Hard Rock Hotel London (operated under the Hard Rock brand), formerly The Cumberland Hotel. We additionally opened two restaurants, Vicinity in Tower Hotel and the Soak in Grosvenor Hotel.

This report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core Level.

Although we have not obtained independent assurance for this year's data, we will consider it for future years.

A softcopy of this report can be found on our website: www.gl-grp.com. Should you have any questions or feedback, please do not hesitate to reach us at info@gl-grp.com.



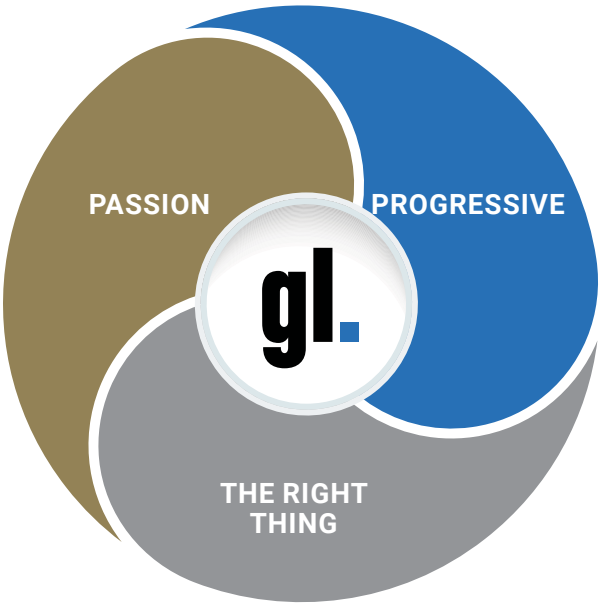
Thistle Piccadilly

SUSTAINABILITY AT GL

Values

Our business is built on three core values: ***having Passion***, ***being Progressive***, and ***doing the Right Thing***. We apply these internally with our staff, as much as we do externally with our customers. These values support our sustainability mission and are implemented on a day-to-day basis by our hotel teams.

We believe in delivering memorable experiences for our guests. Our staff strive to make an impact they can be proud of, whether behind the scenes, with one another or with our valued guests.



We aim to take incremental steps as much as we aim to take big, bold leaps forward. We want to find innovative solutions to problems, to approach each problem with a positive attitude, and constantly advocate progressive improvement.

Our staff are expected to make decisions that support our goals of demonstrating professionalism, strong ethics, team work and integrity.

Sustainability Governance



In 2017, we carried out a materiality assessment to identify Environmental, Social and Governance (ESG) areas that we have the greatest impact on and that have the greatest influence on our business and stakeholders. The material topics remain the same for this year. The chosen topics are summarised in the table below:

Material Topics	GRI Standard Reported	Geographical Boundary Reported for FY2019	Key Impacted Stakeholder Groups
Environmental Stewardship			
Resource Efficiency	Energy (302) Emissions (305) Water consumption (303) Effluents and Waste (306)	United Kingdom	Investors Community Suppliers
Social Responsibility			
Human Capital Management	Employment (401) Training and Education (404) Child Labour (408) Forced or Compulsory Labour (409) Occupational Health and Safety (403)	United Kingdom	Employees Suppliers
Guest Satisfaction and Safety	Customer Privacy (418) Customer Health and Safety (416)	United Kingdom	Customers
Local Communities	Local Communities (413)	United Kingdom	Employees Community
Governance			
Anti-corruption	Anti-corruption (205)	United Kingdom, Singapore	Regulators Investors
Regulatory Compliance	Marketing and Labelling (417)	United Kingdom	Customers
Supply Chain	Supplier Social Assessment (414) Supplier Environmental Assessment (308)	United Kingdom	Suppliers

STAKEHOLDER ENGAGEMENT

We strive to maintain meaningful and regular engagement with all our material stakeholders. An open line of communication with our material stakeholders enables us to better understand their needs and identify areas for growth and improvement. Material stakeholders are identified based on an assessment of their involvement in and influence on our business.

Stakeholder	Method and frequency	Topics raised	Our response
Employees	• Monthly Employee Engagement Survey • Regular meetings between GL and hotel employees • Scorecard of each hotel published monthly and displayed in the hotel • Employee appraisal and performance review meetings currently two per year • Employee forums held in each hotel • Internal announcements	Employees would like to understand in more detail GL's strategy and its commercial plan	Increased face to face events for sharing company plans and employee's role in contributing to company's success.
Shareholders	• Annual general meeting • Analyst briefings • Annual report	• Financial performance • Risk management • Growth strategy	We are maintaining a cautious approach and in relation to our hotel strategy we are continuing our refurbishment at a moderate pace. We are conservatively geared and well positioned to maneuver the current environment and take advantage of any opportunities.
Guests/ Customers	• In-person feedback • Guest satisfaction surveys after each stay • Building user manuals	• Check-in experience • In room facilities at specific hotels • Housekeeping Standards	We act on the feedback and address issues in collaboration with the hotels and hotel management teams to improve our performance and ensure guests return.
Regulators/ Government	• Regulatory filings • Responding to relevant public consultations	• Environmental compliance • Labour standard compliance • SGX listing requirements	We cooperate and engage with government and regulatory bodies. We stay abreast of regulatory changes that affect our business.
Suppliers	• In-person meetings • Online procurement platform • Supplier assessments	• Product quality • Timely delivery	We will maintain an open dialogue with our suppliers to improve our working relationships.
Community	• Room to Reward • Stop Slavery Hotel Industry Network • Local initiatives driven by our individual hotels • Chefs Adopt a School programme	• Instances of modern slavery in the hotel industry • Needs of local community including equal employment	We work with local bodies and charities to address issues that are both important to our communities as well as strategic to our business.

Memberships and External Initiatives

- British Hospitality Association
- Stop Slavery Hotel Industry Network
- Furniture Industry Research Association
- Hotel Electronic Distribution Network Association, a "global forum to advance hospitality distribution through collaboration and knowledge sharing"
- Hotel Bookings Agents Association
- The Society of the Golden Keys – an exclusive society for concierges

ENVIRONMENTAL STEWARDSHIP

Resource Efficiency

We recognise that our various economic activities impact the environment and that we have a responsibility to adopt sound environmental management standards. We strive to reduce our environmental footprint through a coordinated effort. The first step to effective resource management is to establish a baseline for tracking progress over time.

In FY2019, our annual GLH-wide Carbon Footprint Assessment was supplemented with a series of environmental surveys commissioned to help us understand and better track our resource consumption. These surveys also fulfil our energy assessment obligations under the UK Energy Saving Opportunity Scheme ("**Scheme**"). Based on all of the information gathered, we have reviewed and improved our hotel-specific action plans.

A recent and significant addition to our sustainability efforts is our online dashboard. The dashboard is a one-stop tool that displays real-time energy, water and waste consumption metrics and their associated costs. Through the dashboard, we can analyse our consumption activities and track our progress on a granular level relative to the targets we have set. The more information we have, the better informed we are as we move forward on our sustainability journey.

Energy and Emissions

We are dependent on multiple sources of energy for many aspects of our operations, including lighting, heating and cooling, refrigeration and cooking. Our reliance on energy and its consequences in the form of Scope 1 and 2 emissions mean that it is a key area of focus. We continually look for ways to improve the energy efficiency of our buildings and facilities, for example, through the installation of LED lights where possible.

The environmental surveys and dashboard have given us greater insight into our energy consumption, which is almost evenly split between fuel use (mostly natural gas) and electricity use.

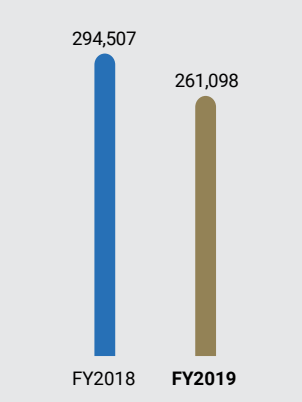
The 33,409 GJ reduction in our energy consumption in FY2019 from the previous financial year ended 30 June 2018 ("**FY2018**") can be attributed to the initiatives we have undertaken as a result of improved tracking of our energy consumption, as well as non-availability of hotel rooms due to refurbishment works.

- The majority of the fuel we use is natural gas, which is used for ventilation and air-conditioning and particularly for heating. To reduce such fuel use, we have optimised set points for heating after careful review of consumption patterns.
- The Maximum Import Capacity reviews carried out in FY2018 determined the appropriate electrical capacity for each of our hotels, enabling us to pay for only the capacity we use and allowing us to set an upper limit on our total electrical load. We are currently exploring whether any capacity can be released to the grid.
- Additionally, we are reviewing hotel equipment to determine whether we can make any repairs or upgrades to improve energy efficiency.

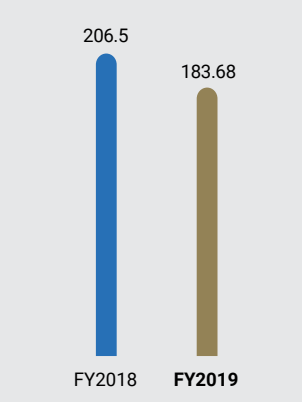
Performance

We are pleased to report a reduction of 33,409 GJ of energy consumption in FY2019 compared to FY2018, including a 17% reduction in gas consumption and a 5% reduction in electricity consumption. Our carbon assessment reflects a year-on-year reduction of 21% in greenhouse gas emissions.

Total energy consumption within the organisation (GJ)[1]



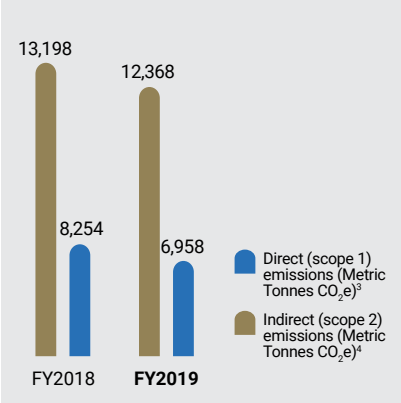
Energy intensity (MJ/no. of rooms sold)[2]



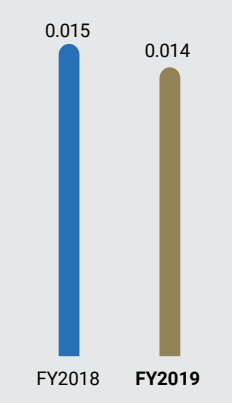
[1] In our FY2018 report, we erroneously reported our energy consumption in megajoules rather than gigajoules. This data has been corrected in this report.

[2] The number of rooms sold in FY2019 is 1,421,499.

Emissions



Emissions Intensity
(Metric Tonnes CO_2e/ no. of rooms sold)



[3] Conversion factor used for scope 1 emissions: 0.0000511567 (natural gas); 0.000075268 (oil).
[4] Conversion factor used for scope 2 emissions: 0.00035156.

Target

- Reduce energy intensity per room relative to the FY2019 baseline of 183.68 MJ/room in the financial year ending 30 June 2020 ("**FY2020**").
- Conduct Scheme surveys in line with mandatory reporting for FY2020.

Effluents and Waste

We generate waste throughout our operations, producing paper, food and other general waste, which is collected by waste contractors. Through our environmental surveys and using our dashboard, we are able to track our waste output across all of our hotels.

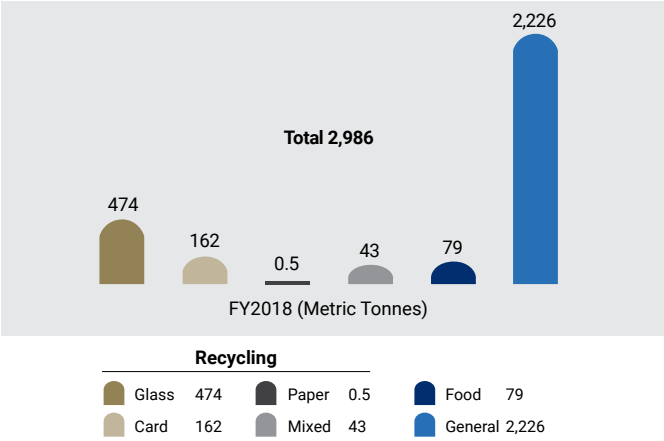
Recycled waste is currently at 34% of total waste. To increase the proportion of recycled waste, we have initiated training to educate employees on diverting recyclable waste from general waste streams, and how to correctly sort and dispose of the former. In FY2018, we removed plastic straws across our hotels. We seek to remove all single-use plastics in the future. Our dashboard includes a recycling league table tracking the hotels' proportion of recycled waste, encouraging them to work harder to do better than their peers.

Last year, we began segregating food waste from general waste to send for composting. This process is part of the circular economy mind-set we seek to adopt, diverting organic waste from landfills to inject it back into the supply chain as a valuable input – compost with which more food can be grown. Moreover, a combination of recycling and composting can save three to four times more energy than an incinerator can produce. We have therefore continued to place emphasis on food waste in FY2019.

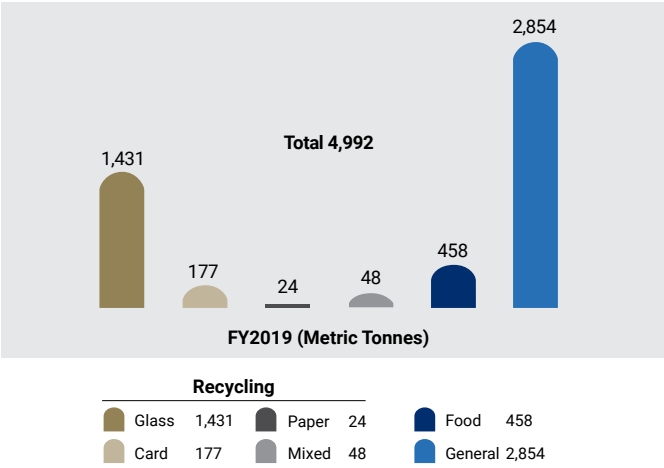
As a result of these initiatives, we saw a 2% increase in recycling in the last six months of FY2019 alone.

Performance

Total Non-Hazardous Waste



Total Non-Hazardous Waste



Target

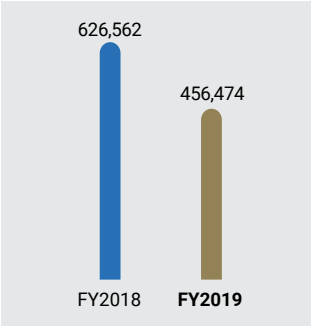
- Achieve zero waste to landfill by the end of the financial year ending 30 June 2025.
- Remove all single-use plastics from our hotels by the end of the financial year ending 30 June 2025.

Water Consumption

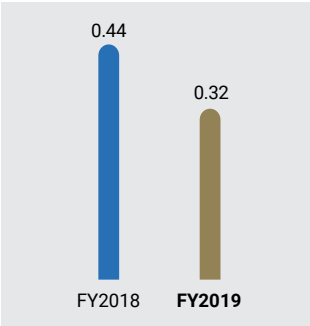
Our operations rely on water. Practicing responsible use of this critical resource is a key step we can take to improve our overall sustainability. We remind our guests to embody these sustainability values through informational materials in all of our in-stay rooms and bathrooms, for example, encouraging them to reuse their linens and be mindful when using water in bathrooms. These small measures can add up to significant resource and cost savings.

Performance
We are pleased to report a reduction of 170,088 cubic metres of water consumption in FY2019 compared to FY2018. This is partly due to our educational actions, and partly due to non-availability of rooms closed for refurbishment.

Water consumption[5] (m^3)



Water intensity (m^3/no. of rooms sold)



[5] All water used comes from municipal water sources.

Target
- Achieve a 5% reduction in water consumption across the estate by the end of the financial year ending 30 June 2022.
- Explore whether tap diffusers can be added and how much this might minimise water and energy consumption.
- Launch a guest education scheme to encourage responsible water consumption in FY2020.

SOCIAL RESPONSIBILITY

Guest Satisfaction and Safety

We aim to be a leader in our field by providing our guests with memorable, seamless experiences, by valuing and respecting our employees, and by engaging with our communities as a responsible corporate citizen. Through a system of feedback, we seek to continuously evolve and improve our practices and policies, and set an example for our peers.

Excellent Service

Guest satisfaction is at the very core of our purpose. We place great emphasis on the comfort and safety of guests in our hotels so that guests have a memorable stay and would return to stay with us again. Our hotel employees are expected to adhere to the highest standards of ethics and professionalism as demonstrated in our ethical and equal opportunity policies and principles. In line with these principles, we are proud of our extensive guest satisfaction survey. We conscientiously track results over time and make a concerted effort to incorporate any feedback.

The survey follows the guest journey beginning with reservation and check in to check out and everything that falls in between, including front desk service, in-room experience, problem resolution, food and drink quality and satisfaction, facilities and overall service. The responses are collated along with online reviews from approximately 200 websites onto a single platform, ReviewPro. ReviewPro allows us to examine the consolidated feedback and inform each individual hotel's guest experience improvement plan.

Performance
We received 33,376 survey responses in FY2019 with valuable feedback – an increase of more than 3,000 survey responses compared to FY2018. Our Global Review Index score for FY2019 was 82.6%, a 1.4% drop from our FY2018 score due to refurbishment disruption at The Cumberland Hotel prior to its re-opening as Hard Rock Hotel London.

Target
Improve our guest satisfaction scores in FY2020.

Guest Safety

The safety and security of our guests and anyone who visits our properties is of utmost importance to us. In our hotel kitchens, we adhere strictly to regulatory food safety standards to deliver the highest levels of food safety. To protect customer and employee safety, we continue to undertake quarterly audits through an external company, NSF, to maintain health and safety, hygiene, and fire safety compliance and to share and regularly review the results of such audits with the general managers of our hotels.

Performance
There were no incidents of non-compliance concerning the health and safety of our guests.

Target
Maintain no incidents of non-compliance concerning the health and safety of our guests.

Guest Data Privacy

To ensure that our data protection and privacy obligations are met, we have established a mission statement which enunciates the foundation for our data protection policies, a data protection framework and internal policies and processes which comply with applicable data protection laws, including the UK's Data Protection Act 1998 and The European General Data Protection Regulation.

The data protection policies are owned by the appointed Data Protection Officer and maintained on a company-wide intranet. We regularly review and revise our internal policies and processes in response to our operational needs and any regulatory changes.

Following implementation of the framework, we provided full training to employees and continue to monitor data activity and access closely.

Performance
In FY2019, we had 2 substantiated complaints concerning breaches of customer privacy and losses of customer data that were swiftly resolved by our team and did not result in any regulatory complaint or enforcement action by the UK's Information Commissioner's office. Furthermore, the audit conducted on our data protection policies and methods found no exceptions.

Target
Continue managing and mitigating the risk of data protection breaches through the data protection programme and aim for no breaches of customer data privacy in FY2020.

HUMAN CAPITAL MANAGEMENT

Our People

Our employees are key to our operations and financial success. We work hard to ensure that our employees share our values and standards and provide exceptional guest and employee experiences. To this end, we seek to create a work and employee-friendly environment, providing our employees with the right tools, skills and support to deliver quality service and for long-term career progression.

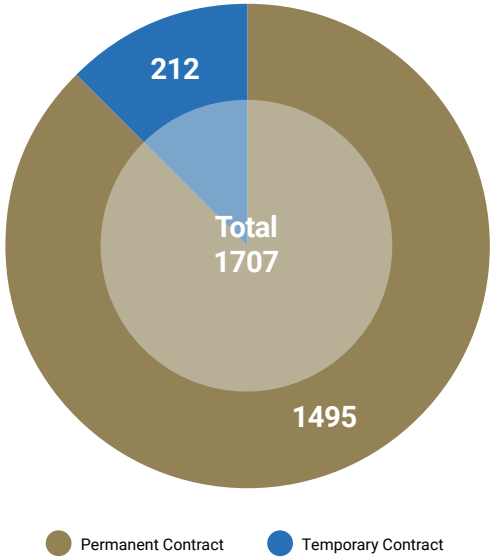
Our Employee Handbook outlines GL's employee code of conduct and provides guidelines on our values and standard operating procedures. We have developed an employer brand for GLH, which includes an internal and external programme to support communications and engagement with both employees and guests.

We continue to use the Peakon employee engagement tool which was rolled out in FY2018. Peakon is an online tool to encourage frequent conversations with and feedback from employees. This connectivity enables us stay in touch with the needs of our employees, for example, through dedicated forums sometimes as often as every week. Each hotel has individual engagement targets that are tracked through monthly dashboards, and all managers are trained in engagement principles to continuously improve upon communication with staff.

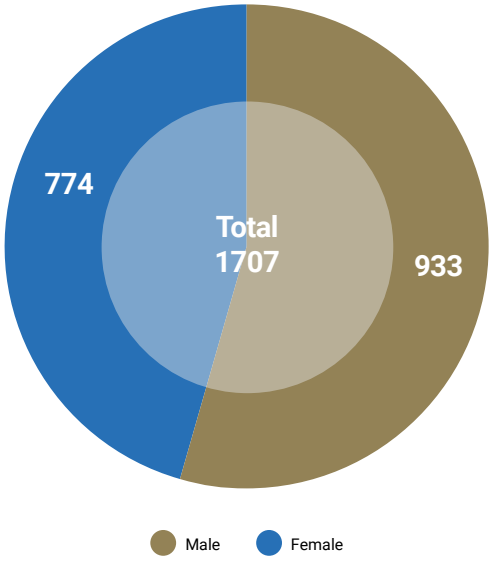
Performance
Across our hotels, we employ 1,707 staff. While we employ most of our employees directly, around 12% are casual workers and we outsource our housekeeping services[6].

To meet instances of increased business demand and short-term manpower requirements, we engage workers under mutually beneficial and temporary casual working agreements through various agencies. Employee numbers are subject to seasonal variations. Each casual worker is forecasted on a 1 Full-Time Equivalent (FTE) basis.

Employee Breakdown by Contract Type



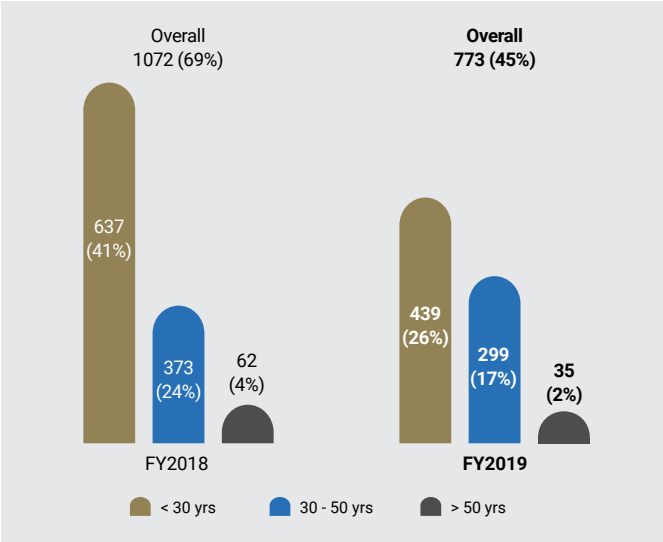
Employee Breakdown by Gender



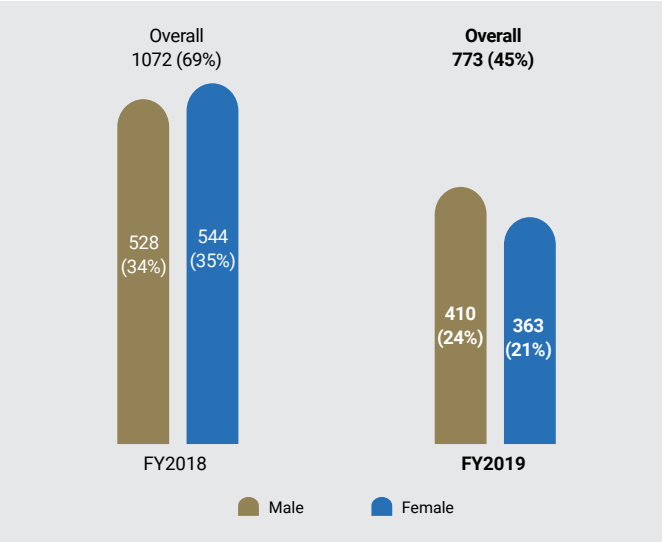
	Male	Female	Total
Permanent Contract	831	664	1495
Temporary Contract (includes casual workers)	102	110	212
Total	**933**	**774**	**1707**

[6] None of our employees participate in collective bargaining agreements.

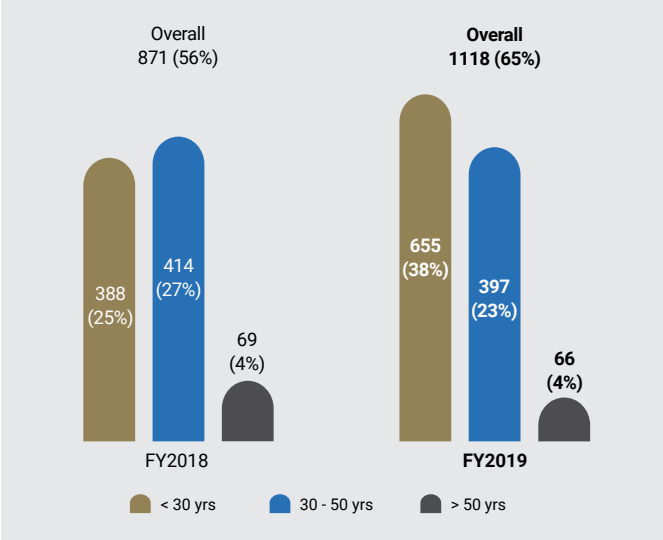
Employee Hires by Age Group



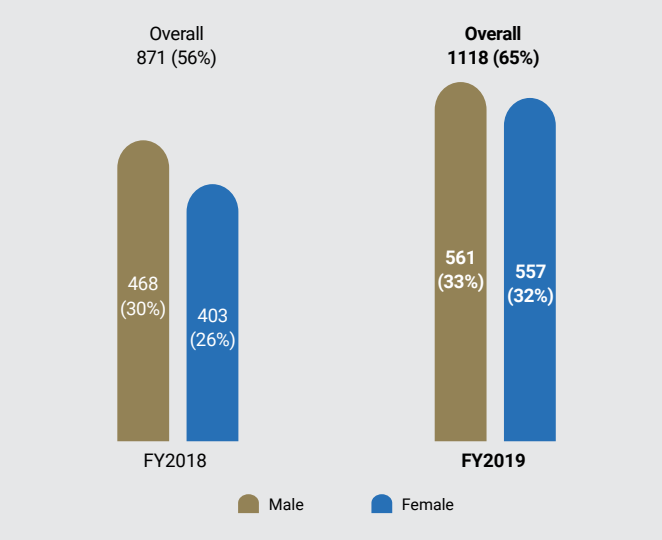
Employee Hires by Gender



Employee Turnover by Age Group[7]



Employee Turnover by Gender[7]



[7] Some of our FY2018 employee turnover rates were calculated using a different approach. We have amended them to be consistent with our FY2019 calculations. Our employee turnover rate is derived by dividing total turnover by the total number of employees at the end of the relevant reporting period. Our employee new hire rate is arrived at by dividing total new hire by the total number of employees at the end of the relevant reporting period.

We will conduct regular employee engagement surveys and develop action plans as appropriate for FY2020 whilst ensuring all hotels have quarterly employee forums in FY2020.

Talent Development

We believe that talent management and succession planning are mutually beneficial to our employees and our business. As our business grows, it is increasingly important to maintain our high quality of service. Investing in the training and development of our staff is vital for a human resource strategy that meets the well-being and long-term interests of our staff as well as the needs of our business.

We focus on 3 core areas: developing core competence to ensure we are an effective and efficient organisation; providing opportunities for skill development to support career development; and line management and leadership development to create a talent pipeline.

This year we are proud to have rolled out the refresh of our e-learning website, the Learning Zone, to make it more extensive and more user-friendly. The e-learning platform gives employees a wider array of training at their finger-tips with featured training modules highlighted each month. The platform allows for better tracking of mandatory participation and compliance, but it also allows employees to partake in

optional training modules that cover everything from hard and soft skills to awareness training on well-being and diversity.

A selection of the training that our employees attended in FY2019 is shown below:

> ***Team Leader Apprenticeship Scheme***: Launched in FY2019, the Team Leader Apprenticeship is a platform to build our pipeline for first level management, honing leadership skills amongst our junior staff. We aim to roll out this scheme to our Kitchen, Maintenance and Sales functions shortly.

> ***Standard Operating Procedures (SOPs) and Front Office Training***: In FY2019, we implemented new standard procedures to train all front office new starters. The training module can be accessed online but is supplemented with a hands-on, two-day training for all new employees. It focuses on check in and check out, guest interaction and use of our internal systems.

> ***Management courses***: We introduced a series of bite-sized training modules targeted at managers, designed to easily fit into their working day. Thanks to their convenience and usefulness, the modules were accessed by 215 managers between March and May 2019. Some examples of the modules are: "How to…"

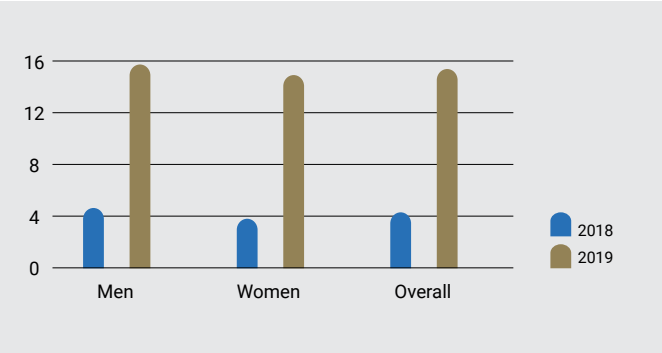
- Find creative solutions to problems
- Give feedback
- Manage your time better
- Hold an effective review meeting

> A particular highlight was the launch of Hard Rock Hotel London and the unique, bespoke training that accompanied it. For example:

- Amplified Service Training
- Hard Rock Brand Induction Programme
- Live, Learn, Rock – Train the Trainer
- "Walk this Way" and Memorabilia Training

Performance
The benefits of our refreshed website, the Learning Zone, are clearly demonstrated through the sizeable jump in average hours of training per employee.

Average Hours of Training Per Employee



	Men	Women	Overall Average
FY2018	4.65	3.92	4.31
FY2019	15.75	15.56	15.66

Target
In FY2020, ensure all new starters are inducted in their health and safety ("**H&S**") requirements and provide an annual refresh on key H&S issues.

Employee Wellness and Well-being

Part of valuing our employees includes protecting their mental well-being along with their physical safety. In FY2019, we paid particular attention to mental health through multiple initiatives.

In September 2018, we held a well-being week and in May 2019 we held a mental wellness week. Both initiatives featured training and activities to help our employees pay attention to their own and their colleagues' health from a holistic perspective following the UK National Health Service's 5 steps to mental well-being:

- Connect with others
- Be Active
- Keep learning
- Give to others
- Be Mindful

For example, we held workshops to educate employees on healthy eating and what it entails, on sleep and relaxation, and financial planning for personal security and peace of mind. We organised a canal-side walk so that employees could have a break from work in fresh air, and other classes included dance, meditation and fitness bootcamps.

17th - 21st September 2018

glh. WELLBEING WEEK

5 DAYS OF FEEL GOOD

A quick note to all of our Wonderful People...

With only 4 days to go before the start of glh "Wellbeing Week", there is still time to book onto the range of activities happening across the business next week. Still undecided on what to book?... Follow the three simple steps below:

1. **Take a look at our handy session/activity guide below**
2. **Decide which session you would like to attend, speak to your Manager**
3. **Use the online booking forms attached to this email or ring our HR Admin Team on 0800 440 2129 who will be happy to help you book.**

MONDAY 17TH SEPT
PHYSICAL FITNESS

Hotel Relay & Walk

Batons and Pedometers! You'll have 2 hours in total, with 15 minutes per person to rack up as many steps as you can in this time whilst on shift. So, the team and individual with the most amount of steps wins the challenge!

Bootcamp Sessions

Don't be put off by the name! Whether you're looking to get the adrenaline pumped, or would prefer something a little more laid back, Bootcamp is a perfect way for you and your colleagues to get out and about for some team building. There will be a session running on each day throughout the week at 18:00 PM, so get booking!

TUES 18TH SEPT
MENTAL HEALTH

Yoga Sessions

Yoga is an ancient form of exercise that focuses on strength, flexibility and breathing to boost physical and mental wellbeing. We've teamed up with RTG Wellness, and are offering you the opportunity to join one of 3 sessions being held at the Cumberland, so whether your looking to brush up on your knowledge, or would simply like to dip your toes into something new, why not get signed up!

Mindful Colouring

Working with your hands is one of the best ways to soothe anxiety and eliminate stress. So why not get back in touch with your inner child and get colouring - You might even get a giggle along the way.

WEDS 19TH SEPT
FINANCIAL WELLBEING

Will Writing Seminars

Do you know that not having a Will can put your entire financial estate at risk?

A staggering 71% of people have not created a Will. Without a Will in place, the law will decide, according to strict rules, how your estate will be distributed in a way that may be contrary to your personal wishes and not in the best interests of your family and dependants. Why not attend one of our will writing workshops, which are being held by our trusted partners Guardian Solicitors, who are offering their services from £99 + VAT.

Financial Wellbeing Seminars

We care about financial wellbeing because we believe hard-working people deserve to be stress-free when it comes to money. We are pleased to announce that we have teamed up with Neyber, one of the UK's largest financial wellbeing companies who partner with employers to offer affordable borrowing to employees, as well as tips and guidance on how to manage your money effectively. So, what are you waiting for, why not stop by and see how Neyber could assist your own financial situation. Places are limited, so get booking now!

HSF Health Cash Plan Seminars

At glh, our health plans offer cash reimbursements of the costs of a wide range of healthcare maintenance and treatments. You pay a premium for the scheme that suits your requirements, then you claim cash back for your treatments as and when you need to. Our partner, HSF will be inviting interested employees to attend a seminar, where you can learn more about the benefits of a Health Cash Plan, as well as guidance on how to get signed up

THURS 20TH SEPT
HEALTHY EATING & NUTRITION

Snack Time - Fruit & Crudites

You'll no doubt be tired from all that moving that you've enjoyed so far this week. So let's get those batteries recharged with one of your 5-a-day.

Nutrition Seminar

You are what you eat! Office Vitality, one of the UK's leading experts in employee wellbeing will be hosting a Nutrition Workshop. Here you'll learn about stress busting nutrition techniques aimed at addressing blood sugar and mood imbalances as well as guidance on preventing chronic diseases such as diabetes, obesity, high blood pressure and high cholesterol through healthy eating. And hats off to the Chefs! - This may be of special interest to our friends in the Kitchen.

FRI 21ST SEPT
HEALTH & MEDICINE

Sleep & Relaxation Seminars

We are pleased to announce our partnership with Office Vitality, a team of professional therapists specialising in employee well being. We'll be covering all things relaxation, from progressive muscle relaxing, guided visualisation, mindfulness meditation. You'll learn how to quiet your mind and relax the body as well as discovering relaxation tools and techniques to unwind and relax after a busy day.

Free Flu Vaccination Offer

We'll be giving away free Flu vaccinations to wrap up Wellbeing week. Places are limited, and more information will follow soon, so please watch this space!







To demonstrate our commitment to mental health and well-being, we sent the GLH Human Resources team to a Mental Health Awareness course developed by MHFA England to become certified Mental Health Aiders. These Aiders learned practical skills including how to recognise signs of mental illness and how to step in to provide support.

Fair Working Practices

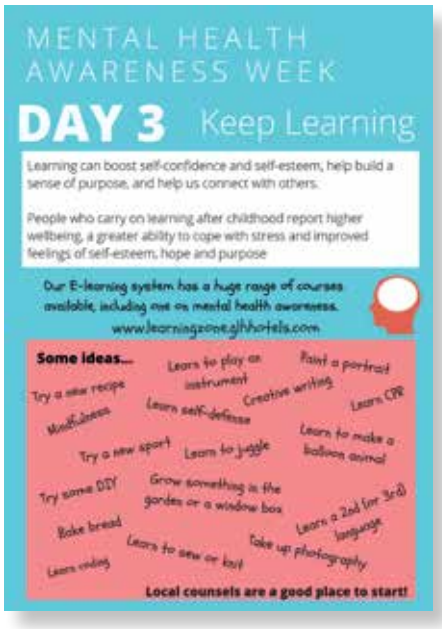
Respect for employee rights is fundamental to our human resource principles. We have strict non-discrimination policies to promote diversity and a fair working environment in our workplace.

A fair working environment should be one that is free of discrimination, harassment, bullying and victimisation. We use applicable employment laws including the European Human Rights Legislation as reference points for policies. In particular, we have a UK Grievance Policy that outlines procedures for managing grievances privately and confidentially, and in the event of any redundancy we provide outplacement support for affected employees.

In September 2015, GL introduced a Child Protection Policy. During induction, new employees are required to complete a mandatory e-learning module that includes awareness of child and forced labour. This module is also part of our annual mandatory e-learning programme for existing employees. There is a contractual obligation on our workforce to ensure that they have read, understood, and agreed to adhere to this policy. Any breach of this policy would be dealt with in accordance with existing Disciplinary Procedures, and reported to the company as appropriate. GL has established a designated Safeguarding Lead to refer allegations of harm to the Police Protection Unit. Employees who become aware of harm to a child, are required to make immediate contact with the Safeguarding Lead, who will in turn collate and clarify details and provide this information to the Police. Guidelines have been provided to hotel employees on how to successfully gather information and on how to identify particular instances of harm and abuse.

In addition to GL's statutory obligations under the UK Modern Day Slavery Act 2015, the Company currently circulates a Modern Slavery Policy, covering both employees and suppliers. The policy offers guidance to employee in identifying suspected cases of forced labour, as well as human trafficking. This policy extends to our suppliers and is covered in the Code of Conduct that all suppliers have to sign. This Code of Conduct states that GL does not under any circumstances support slavery or human trafficking and we prohibit suppliers from using, participating in or benefitting from such practice.

GL is also proud to be part of the Stop Slavery Hotel Industry Network, which seeks to work collectively to realise a vision of a slavery-free industry:







> Increase awareness of modern slavery at all levels within and across hotels;

> Provide an accessible platform for anti-modern slavery resources, information and support;

> Provide guidance to address challenges identified and faced by the hotel industry as a whole when seeking to tackle modern slavery.

Performance
In FY2019, there were no reported incidences of violation of the Child Protection or Modern Slavery policies.

Target
Maintain no instance of human rights violations and continue to advocate for greater integration of the Stop Slavery Hotel Industry Network. Ensure suppliers sign our Code of Conduct, which prohibits them from engaging in any activities that relate to any forms of forced, bonded, slave, compulsory or involuntary labour or any form of human trafficking.

Occupational Health and Safety

The health and safety of our employees is of utmost importance. GL has clear health and safety policies in place to provide a safe and supportive work environment that is compliant with all relevant legislation. Management is obliged to attend safety trainings on-site, while all employees have access to e-learning modules on safety. Our H&S policy is published online and in our employee hand book. We also regularly circulate health and safety information, including updates to regulations, and best practices in our monthly newsletter and on our intranet, GLH Connect.

Hotel employee concerns and views are represented and managed through on-site H&S teams at each of our hotels. These teams also manage and oversee guest H&S concerns. Risk assessments are carried out on roles that are identified as having a high risk of occupational disease, and routine monitoring and reporting. NSF also conducts audits twice a year, which helps maintain a high standard of risk assessments. H&S topics are covered in discussions with unions. All work-based accidents are recorded in the Hotel's Accident and Incident Reports in line with Company policy.

Performance
During the last financial year, we only had one Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable accident. This was reported as an injury over 7 days. In this instance, an employee injured his finger because of a faulty slow door closure. Overall, there were 159 non-serious employee injuries with slips, trips and falls being the most frequent hazards to health and safety. No fatalities were reported.

Target
Maintain no serious injuries or fatalities as a result of work-related activities in FY2020.

Local Communities

Engaging with Our Communities

We know that our success and the well-being of those who work in our hotels are closely linked. That is why we invest in the communities around us. We leverage our key resources, namely our properties and our human capital, to support our communities and create positive impact.

Target
Develop a GLH Hotels charity strategy in FY2020.

GOVERNANCE

Anti-corruption

Our reputation is dependent on daily decisions made across the organisation. We are dedicated to upholding integrity and honesty in our operations, and have adopted a zero tolerance policy towards fraud, corruption and unethical actions. Issues that require whistleblowing are those that affect our ability to operate effectively and our reputation.

At present, we implement a whistleblowing policy that promises all employees, workers and interested third parties the ability to raise concerns related to any immoral, illegal or unethical practices that may affect our hotels, our ability to operate or our reputation without fear that they will suffer repercussions.

The policy clearly states what steps need to be taken when someone has a concern, including who to contact, who to speak to if in doubt and how the law protects whistle-blowers. This policy is now published on our intranet and included in the new starter pack. Whistleblowing and anti-corruption updates continue to be made available to all staff annually.

Performance
There were three incidents of corruption in FY2019, all three of which were employee-related thefts. All three employees were dismissed.

Target
- Review and recirculate our whistleblowing policy, and publish it on the intranet with a new starter pack in FY2020.
- Aim for no incident of corruption in FY2020.

Regulatory Compliance

We are committed to acting in the best interests of our hotels and maintaining compliance with local and international laws and regulations and our codes, standards and policies. Employees are made aware of all relevant laws, regulations and policies through regular training.

Performance
Compliance with applicable laws, regulations, codes, standards and policies is tracked and any non-compliance is addressed. There was no non-compliance recorded in FY2019.

Target
Maintain a clean record with no incident of regulatory non-compliance for FY2020. Continue to stay abreast of all regulatory updates and changes and train staff accordingly.

Supply Chain Responsibility

We recognise that our operations are highly dependent on a reliable supply chain that ensures we are able to receive the goods and services we require. We engage with employees, various contractors and consultants across our supply chain. In fact, we have an extensive supplier base of more than 1,000 suppliers for food and beverages, supplies, fixtures and amenities.

As a responsible business, we are keen to safeguard our values including in relation to our supply chain. To protect our principles of ethics and lawfulness, our most critical suppliers undergo a high-level supplier assessment during which they are rated on several criteria. All suppliers are required to sign up to our Code of Conduct during tenders as well as when suppliers log onto our online procurement platform. The Code stipulates our position on areas such as human rights, labour conditions, environmental protection and business ethics. For example, the Code prohibits suppliers using, participating in or benefiting from any form of forced, bonded, slave, compulsory or involuntary labour or any form of human trafficking.

Target
In FY2020, aim to have 100% of suppliers sign up to our Code of Conduct.

GRI INDEX TABLE

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102-4	Location of operations	Annual Report
102-5	Ownership and legal form	Annual Report
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CORPORATE GOVERNANCE

GL Limited ("**Company**" or "**GL**") is committed to maintaining high standards of corporate governance and endeavours to continuously keep abreast of developments and new practices in corporate governance.

The framework of the Company's corporate governance is substantially in line with the principles and guidelines of the Singapore Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012 ("**Code**"). The lynchpin of such framework is the Company's Corporate Governance Code, which sets out its internal corporate guidelines.

During the financial year ended 30 June 2019 ("**FY2019**"), the Company complied with the principles and guidelines of the Code save in the areas which are set out and explained in the relevant sections below.

(A) BOARD MATTERS

Principle 1
Board's Conduct of Its Affairs

The Company is headed by a Board whose role and responsibilities include providing entrepreneurial leadership, setting the business strategy of the Company and its subsidiaries (collectively "**Group**"), and overseeing the business affairs of the Group and the performance of the Group's management ("**Management**"). The Board carries out its oversight function by assuming responsibility for effective stewardship and corporate governance of the Group and safeguarding the interests of the Group and its stakeholders.

In addition, the Board is responsible for setting the Company's values and ethical standards. The Group has a strong corporate culture exemplified by its core values.

The Company's Corporate Governance Code serves as an internal guide on corporate governance and other matters. It sets out the matters reserved for the Board's approval. These include approving strategic business and financial plans, individual investment and divestment decisions which should be referred to the Board before implementation, and material transactions which are not within the Company's ordinary course of business. "Material transaction" is not defined by the Company's Corporate Governance Code; instead, materiality must be assessed by Management based on the terms and circumstances of each transaction.

The Board meets at least once quarterly. Additional meetings may be convened as and when necessary. Where appropriate, decisions are also taken by way of Directors' circular resolutions. As provided in the Company's Bye-Laws, Board meetings may be held via teleconference or videoconference.

The Board has delegated certain of its functions to the following Board Committees:

- Audit and Risk Management Committee ("**ARC**");
- Nominating Committee ("**NC**"); and
- Remuneration Committee ("**RC**").

Each Board Committee reviews the matters which fall within its terms of reference as stated in the Company's Corporate Governance Code, and reports its decisions to the Board, which endorses such decisions and accepts ultimate responsibility on such matters.

The Board and the ARC each held four meetings during FY2019. The NC met twice and the RC met once during FY2019.

The Directors' attendance at Board and Board Committee meetings for FY2019 is set out below:

	Attendance at Board and Board Committee Meetings during FY2019			
	Board	ARC	NC	RC
No. of Meetings Held	4	4	2	1
Board Members				
Philip Burdon*	1	N.A.	1	1
Kwek Leng Hai	4	N.A.	2	1
Paul Brough	4	4	1	N.A.
Jennie Chua	4	4	2	1
Timothy Teo Lai Wah	4	4	N.A.	N.A.
Tang Hong Cheong	4	N.A.	N.A.	N.A.

* Mr Philip Burdon retired from the Board on 25 August 2018.

A newly-appointed Director receives an appointment letter which sets out his duties and obligations and encloses copies of the Company's latest Annual Report, Bye-Laws, Corporate Governance Code, organisation charts and, if applicable, charters of each Board Committee to which he or she is appointed.

All Directors must objectively discharge their duties and responsibilities as fiduciaries of the Company and act in the interests of the Company. The Company's Corporate Governance Code requires the Board to safeguard the Company's interests and assets. The Directors must demonstrate the highest level of integrity by maintaining the utmost confidentiality regarding the Company's business as well as identifying, disclosing and managing conflicts of interest, and each Director is assessed regarding the same during annual evaluations. The Company's Corporate Governance Code defines "conflict of interest" as including affiliations with competitors of the Company or with parties which are likely to be regular counterparties to transactions with the Company.

However, the Company recognises that it may not always be possible to ensure that conflicts do not arise and has established the following procedure to deal with conflicts of interest:

- A Director must declare to the Board any conflict of interest.
- As soon as practicable after such declaration, the Board will meet to review the conflict and determine a process for dealing with the issue.
- While a Director who is interested in a transaction with the Company may attend and participate in the Board meeting at which such transaction is discussed, he or she may not vote in respect of such transaction.

All Directors are encouraged to attend, at the Company's cost, seminars to keep abreast of relevant developments, particularly in areas of leadership, industry-related matters and corporate governance. The Company's external auditors brief and update the ARC on developments in accounting and governance standards which have a direct impact on financial statements. Directors are also given summaries of regulatory updates, implications of regulatory changes and developments and the actions to be taken to ensure compliance.

Principle 2
Board Composition and Guidance

Up to 24 August 2018, the Board was comprised of six well-qualified members who are business leaders or professionals with financial, banking or hospitality backgrounds. Mr Philip Burdon retired as a Director of the Company with effect from 25 August 2018. On his retirement, Mr Philip Burdon ceased to be the Chairman of the NC and the RC as well.

With Mr Philip Burdon's retirement, the Board is comprised of five directors, including three independent directors. Mr Paul Brough, an independent Director, took on the role of Chairman of the NC and the RC.

As a group, the Board members provide an appropriate balance and diversity of skills, experience and knowledge of the Company and its business, as well as the necessary core competencies.

The NC reviews the size and composition of the Board and the Board Committees annually.

The NC considers the Board's present size to be appropriate after taking into account the nature and scope of the Group's operations. No individual or group of individuals dominates the Board's decision-making process.

Profiles of the Directors are set out on pages 6 to 8 of this Annual Report. The Chairman of the Board, Mr Kwek Leng Hai, is a non-executive, non-independent Director. The majority of the Directors, before as well as after Mr Philip Burdon's retirement, are non-executive and are considered independent by the NC. This is in line with the Code which provides that independent directors should make up at least half of the Board where the chairman of the board is not an independent director.

Throughout FY2019, the Company had one Executive Director, Mr Tang Hong Cheong.

The NC determines the independence of the Directors annually. In making such determination, the NC takes into consideration the guidelines set out in Guideline 2.3 of the Code, as well as a Director's ability to avoid any conflict of interests (including abstaining from decisions regarding transactions in which such Director has a direct or indirect interest). Each Director abstains from the discussion and decision in respect of his or her independence.

The NC is of the view that the Company's following non-executive Directors are independent: Mr Philip Burdon (up to his retirement as a Director on 25 August 2018), Mr Paul Brough, Ms Jennie Chua and Mr Timothy Teo Lai Wah. There is no Director who is deemed to be independent by the Board notwithstanding the existence of a relationship stated in the Code that would otherwise cause him to be deemed not independent.

Prior to his retirement as a Director on 25 August 2018, Mr Philip Burdon served on the Board for more than nine years but the NC considered him independent. Mr Philip Burdon demonstrated independence of character and judgment in the discharge of his responsibilities as a Director of the Company, and there were no relationships or circumstances that could or were likely to affect his judgement and ability to discharge his duties as an independent Director. Mr Philip Burdon actively expressed his independent opinions with regard to the Company and its business, and frequently made suggestions and recommendations for the benefit of the Company. For these reasons, the NC took the view that Mr Philip Burdon was independent up to his retirement as a Director on 25 August 2018.

The non-executive Directors (who are Mr Kwek Leng Hai, Mr Paul Brough, Ms Jennie Chua, Mr Timothy Teo Lai Wah, and Mr Philip Burdon prior to his retirement on 25 August 2018) constructively participate in developing proposals on Company strategy, review the performance of Management in meeting goals and objectives and monitor the reporting of performance. Among the Board's functions is the review and approval of the Company's strategic, business and financial plans and monitoring the Company's performance against such plans in order to evaluate whether the business is properly managed. The non-executive Directors are actively involved in such review, approval and monitoring. Along with the Executive Director, the non-executive Directors receive quarterly business and financial updates and are diligent in reviewing such updates.

The Company encourages its independent Directors (who are Mr Paul Brough, Ms Jennie Chua, Mr Timothy Teo Lai Wah, and Mr Philip Burdon prior to his retirement on 25 August 2018) to meet for informal discussions without the presence of Management to promote free and open discussions on issues concerning the Company, and to provide feedback to the Board on such issues. After Mr Philip Burdon's retirement, the independent Directors comprise three of the Company's four non-executive Directors. The fourth non-executive Director is Mr Kwek Leng Hai, who is the non-executive Chairman of the Company and is not an independent Director. While the non-executive Directors do not meet without the presence of Management, the Company is of the view that the informal meetings of the independent Directors sufficiently facilitate an effective check on Management.

Principle 3
Chairman and Group Managing Director ("GMD")

There is a clear division of responsibilities in the roles and functions of the Chairman of the Company and the GMD. These positions are held by Messrs Kwek Leng Hai and Tang Hong Cheong respectively.

In his leadership of the Board, the Chairman ensures that the Board is effective in all aspects of its role. The Chairman exercises control over the quality, quantity and timeliness of the flow of information to the Board by requiring Management to provide updates to the Board on the Company's performance and to keep the Board informed of developments and issues which would have an material impact on the Company. He has oversight of the preparation of the agenda and papers for each Board meeting, and conducts Board meetings so that each agenda item is adequately considered. The Chairman promotes a culture of openness and debate within the Board by consulting his fellow Directors, in particular, the non-executive Directors, on matters placed before the Board and encouraging frank and open discussion of the same. In ensuring that questions raised and information requested by Directors are responded to and provided promptly and adequately, the Chairman fosters constructive relations among the members of the Board and between the Board and Management.

During the Company's general meetings, the Chairman is key in ensuring effective communication between the Company and its shareholders, often personally responding to questions relating to the Company's strategic stance.

The Chairman sets a benchmark for the Company's corporate governance, recommending policies and practices to ensure that high standards of corporate governance are maintained by the Company.

The GMD is responsible for implementing the vision and strategic direction of the Group and the policies and decisions of the Board, initiating business ideas and corporate strategies to create a competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

Lead Independent Director

All independent Directors are well experienced, and regular and active interactions amongst them (including their attendance at Board and Board Committee meetings) provide sufficient opportunities for them to coordinate and to work together as a group.

The Directors and Management are accessible to the Company's shareholders, and the Company has always responded to the queries of its shareholders. The absence of a Lead Independent Director has not impacted and will not impact such accessibility or the Company's response to shareholders' queries.

As stated in the final paragraph under Principle 2, the Company encourages its independent Directors to meet for informal discussions without the presence of Management.

For the above reasons, the Board does not consider it necessary to appoint a Lead Independent Director.

Principle 4
Board Membership

As mandated by its written terms of reference, the NC reviews and recommends all new Board appointments and the re-appointment of Directors to the Board. In particular, the NC:

- determines annually the independence of each Director;
- assesses annually the effectiveness of the Board as a whole and of the Board Committees, as well as the contributions of each Director;
- reviews the Board succession plan; and
- reviews the training and professional development of the Directors.

Following Mr Philip Burdon's retirement on 25 August 2018, the composition of the NC is as set out on the inside back cover of this Annual Report.

The NC has put in place a process for assessing the independence of the Directors as well as the effectiveness of the Board and Board Committees and the contributions of the Directors. The latter process enables the NC to determine the training which each Director requires. As prescribed by the Company's Bye-Laws, each Director retires from office and is subject to re-election by the shareholders at the Company's general meeting at least once every three years.

In the selection and appointment of a new Director, candidates may be put forward or sought through contacts and recommendations. Candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board, including gender. Through the annual Board evaluation process, details of which are set out under Principle 5, the NC determines the competencies required to complement the skills and competencies of the existing Directors.

When deciding whether a Director is able to and has adequately carried out his or her duties and has sufficient time and attention to give to the Company, the NC considers a number of factors. These are the number of appointments held by that Director on the boards of listed companies, his or her other principal commitments, his or her attendance at the Company's Board meeting and meetings of the Board Committee(s) of which he or she is a member, and the level of his or her engagement during such meetings. The NC has noted the other directorships held by each of the Directors and is satisfied, based on the latest annual evaluation, that each of the Directors is able to devote sufficient time and attention to the affairs of the Company.

The Board has on 1 February 2019 approved and adopted a board diversity policy ("**Board Diversity Policy**") which sets out the Company's approach to achieving diversity on the Board. The Board Diversity Policy provides that the selection (including re-appointment) of Directors will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and (in the case of re-appointment) length of service on the Board.

The Board has not prescribed a cap on the number of board memberships a Director may hold as it believes that each Director should personally determine the demands of his or her other directorships and commitments and assess how much time is available for serving effectively on the Board and Board Committee(s) of the Company. Notwithstanding the absence of a cap, the Company believes that the robustness of the NC's evaluation of each Director's ability to carry out his or her duties stands it in good stead.

The Company does not have any Alternate Director.

Principle 5
Board Performance

On an annual basis, the NC assesses the effectiveness and performance of the Board as a whole and of the various Board Committees, and the contributions of each Director to the effectiveness of the Board.

This assessment takes into account the performance of the Company, the attendance and contributions of the Directors at meetings of the Board and Board Committees, the Directors' participation in the affairs of the Company, the independence of the Directors, their individual skills, experience and time commitment (in particular, of the Directors who serve on the boards of other listed companies) as well as the overall Board size and composition. Such performance criteria are objective to ensure robust evaluations, and have been approved by the NC as well as the Board. The Company has applied such performance criteria without change since such approval.

Each Director is required to evaluate the performance of the Board and of the Board Committee of which he is a member, and to carry out a self-assessment. The results of such evaluations are then collated and presented to the NC for consideration.

The results of the evaluations of the Board, Board Committees and Directors are communicated by the NC to the Board.

On the basis of such evaluations, the NC is satisfied that, for FY2019, the Board and Board Committees have been effective in the conduct of their respective duties and each of the Directors has contributed to the effectiveness of the Board and the Board Committees of which he/she is a member.

The Company did not use the services of an external facilitator for its FY2019 board assessment.

Principle 6
Access to Information

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, Management recognises the importance of providing the Board with complete and adequate information in a timely manner.

All Directors are made aware of the Company's policies, procedures and practices relating to governance issues, including disclosure of interests in securities, dealings in the Company's securities, restrictions on disclosure of price sensitive information and disclosure of interests relating to the Group's businesses.

Directors have separate and independent access to Management and the Company Secretary, whose role includes ensuring that Board procedures as well as applicable rules and regulations are complied with. The Company Secretary attends all Board and Board Committee meetings, ensures good information flow from Management to the Board and Board Committees as well as individual Directors, and advises on corporate governance matters. The appointment and resignation of the Company Secretary must be approved by the Board.

Prior to each Board or Board Committee meeting, Directors are provided with the agenda and papers which contain information to enable full deliberation at the meeting on relevant issues. Where a decision has to be made by the Board or a Board Committee without a meeting, a Directors' resolution in writing is circulated for the signature of the Directors in accordance with the Bye-Laws of the Company, accompanied by such information as is necessary to enable them to make an informed decision on the proposed resolution.

Management keeps the Board apprised of the Company's operations and performance through updates and reports.

The Directors may seek independent professional advice at the Company's expense where appropriate.

(B) REMUNERATION MATTERS

Principle 7
Procedures for Developing Remuneration Policies

The RC reviews and recommends to the Board a framework of remuneration for the Board and key executives.

Following Mr Philip Burdon's retirement on 25 August 2018, the composition of the RC is as set out on the inside back cover of this Annual Report.

The RC's duties include the following:

- Recommending to the Board a framework of remuneration for the Board and key executives which covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;
- Reviewing the terms of employment arrangements with Management to develop consistent group-wide employment practices subject to regional differences; and
- Administering the Company's executives' share schemes.

The RC has not used the services of a remuneration consultant.

The RC reviews the Company's obligations in the event of termination of the contract of services of an executive director or a member of the key management personnel, to ensure that such termination is effected on fair and reasonable terms and do not obligate the Company to make any payment which is overly generous. During FY2019, the Company did not pay any termination, retirement or post-employment compensation or benefits to the Executive Director or any member of the key management personnel.

Principle 8
Level and Mix of Remuneration and Mr Tang Hong Cheong who is an executive Director as but is also the GMD

Directors who are not executive Directors or salaried Directors employed by the Company or its related corporations are paid Director's fees which are based on corporate and individual responsibilities and in line with industry norm. Non-executive Directors are paid additional fees if they serve on Board Committees. Mr Kwek Leng Hai, who is the non-executive Chairman of the Company and Mr Tang Hong Cheong, who is an executive Director but is also the GMD of the Company, do not receive Director's fees. Aggregate Director's fees for FY2019 amount to S$325,043 and are subject to the approval of the shareholders of the Company at its forthcoming Annual General Meeting ("**AGM**") in October 2019.

Remuneration packages for an executive Director and Management comprise a fixed component (in the form of a base salary, a 13th month annual wage supplement and, where applicable, fixed allowances and other benefits-in-kind in accordance with the Group's human resource policies), and a variable component (which includes variable bonuses) determined in each specific year by the Group's and the individual's respective performances as well as industry practice in order to align the same with the interests of the Company's shareholders.

The Company established the GL Limited Executives' Share Option Scheme ("**ESOS**") in 2008 as a long-term incentive scheme to promote the Company's long-term success. Under ESOS, options for shares in the Company may be granted to confirmed employees and executive directors of the Group ("**Employees**"). Employees and directors of Guoco Group Limited, the Company's controlling shareholders and their associates are not eligible to participate in ESOS.

The rules relating to ESOS provided that ESOS shall expire on 20 November 2018.

In Section 2.1 of the Addendum dated 8 October 2018 despatched to the Company's shareholders together with the Notice of the 57th AGM held on 25 October 2018, the Company stated "It is proposed that on receipt of [approval of the Company's shareholders'] or on receipt of approval from the shareholders of [Guoco Group Limited] (whichever is the later) for the adoption of [ESS (defined below)], [ESOS] will be terminated by the Directors or the [Committee (as defined in the ESOS rules)].". The GL Limited Executives' Share Scheme 2018 ("**ESS**") was approved by the Company's shareholders on 25 October 2018 and by the shareholders of Guoco Group Limited on 12 December 2018. As the later of such approvals was obtained after the ESOS expiry date, ESOS expired on 20 November 2018 in accordance with its rules and did not need to be terminated.

Notwithstanding the termination of ESOS, Options granted under ESOS which are outstanding remain valid and will vest and may be exercised in accordance with their terms and the rules of ESOS.

Details of ESOS are set out in Note 23 of the Notes to the Financial Statements on pages 105 to 109 of this Annual Report.

Under ESS, options for newly issued and/or existing shares of the Company may be granted ("**Options**") or grants of shares of the Company may be awarded ("**Grants**") to eligible executives including directors and executives ("**Eligible Executives**") of the Group. The Group's non-executive directors, the Company's controlling shareholders and their associates, and the directors and employees of the Company's controlling shareholders, associated companies, holding company and such holding company's subsidiaries (excluding the Group) are not eligible to participate in ESS.

As at 30 June 2019, no option has been granted pursuant to ESS.

Other than ESS, the Company does not have any other employee share option scheme in place.

Pursuant to Rule 14 of the rules of ESS, ESS will expire on 11 December 2028 and the Company by resolution in general meeting, or the Committee (as defined in the ESS rules), may prior to 11 December 2018 terminate ESS provided such termination is permitted by the listing manual of Singapore Exchange Securities Trading Limited (as amended or modified from time to time) and, if applicable, the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (as may be amended and modified from time to time).

Details of ESS are set out in Note 23 of the Notes to the Financial Statements on pages 109 to 110 of this Annual Report.

In reviewing and determining the remuneration packages of the Executive Director and Management, the RC considers their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talent.

The Company does not practice reclaiming incentive components of remuneration of the Executive Director and key management personnel.

Principle 9
Disclosure on Remuneration

Having considered the guidelines in the Code on disclosure of Directors' remuneration, the RC is of view that full disclosure of Directors' fees to be paid for FY2019 is appropriate. However, with regard to the salary paid to Mr Tang Hong Cheong, who is an executive Director and also the GMD, the RC considered the sensitive nature of the information, the highly competitive business environment in which the Group operates and the impact such disclosure would have on the Group, and is of the view that the current disclosure on a named basis and in bands of S$250,000 (including the provision of a breakdown in percentage terms) is sufficient.

The remuneration of the Directors and the GMD of the Company for FY2019 is as follows:

Director	Directors Fees (S$)	Salary and Allowance (S$)	Bonus (S$)	Benefits (S$)	Share-Based Remuneration (S$)	Pension Contribution (S$)	Total (S$)
Kwek Leng Hai[1]	–	–	–	–	–	–	–
Philip Burdon[2]	11,453	–	–	–	–	–	11,453
Paul Brough[3]	108,590	–	–	–	–	–	108,590
Jennie Chua	105,000	–	–	–	–	–	105,000
Timothy Teo Lai Wah	100,000	–	–	–	–	–	100,000
Director & GMD							
Below S$250,000	%	%	%	%	%	%	%
Tang Hong Cheong	–	100	–	–	–	–	100

Notes:

1. Mr Kwek Leng Hai does not receive any Director's fees as the non-executive Chairman of the Company.
2. Mr Philip Burdon ceased to be a Director and Chairman of the Nominating Committee and the Remuneration Committee with effect from 25 August 2018. Accordingly, his fees as a Director and Chairman of the Nominating Committee and the Remuneration Committee are calculated from 1 July 2018 to 24 August 2018, both dates inclusive.
3. Mr Paul Brough was appointed Chairman of the Nominating Committee and the Remuneration Committee with effect from 25 August 2018. Accordingly, his fees as Chairman of the Nominating Committee and the Remuneration Committee are calculated from 25 August 2018 to 30 June 2019, both dates inclusive.

The remuneration of the top five key executives who are not Directors of the Company or the GMD are disclosed below in bands of S$250,000, but the aggregate and the breakdown of such remuneration is not disclosed so as to maintain confidentiality of staff remuneration matters and to support the Company's efforts in attracting and retaining executive talent in a competitive human resource environment:

Total Remuneration in Bands of S$250,000	Number of Key Executives who are not Directors of the Company	
	FY2019	FY2018
S$1,500,001 to S$1,750,000	1	0
S$1,250,001 to S$1,500,000	0	1
S$1,000,001 to S$1,250,000	0	0
S$750,001 to S$1,000,000	0	0
S$500,001 to S$750,000	4	4
S$250,001 to S$500,000	0	0

The Company and its principal subsidiaries do not have any employee who is an immediate family member of any of the Directors (including executive Director Mr Tang Hong Cheong) and whose remuneration exceeded S$50,000 during FY2019.

The Company does not believe it is in its interest to disclose details regarding the performance criteria which determine the entitlement of executive Director and GMD, Mr Tang Hong Cheong, and of its key management personnel to the variable component of their remuneration packages or share options under ESOS and/or ESS and whether such performance criteria have been met, as such disclosure could give rise to talent recruitment and retention issues in the current competitive human resource environment.

(C) ACCOUNTABILITY AND AUDIT

Principle 10
Accountability

The Board is committed to providing the Company's shareholders with a balanced and understandable assessment of the Company's performance, position and prospects via announcements of its quarterly and annual financial results.

Management provides the Board with the Company's accounts on a quarterly basis. Such reports enable the Directors to keep abreast of the Group's operating and financial performance and position, and to make a balanced and informed assessment of the performance, position and prospects.

All Directors are kept apprised of key legislative and regulatory requirements and changes so that, where necessary, written policies and procedures are established to reflect such requirements and changes.

Principle 11
Risk Management & Internal Controls

The Board recognises the importance of a sound system of internal controls to safeguard shareholders' interests and investments and the Group's assets, and to manage risks. The Board determines the Group's risk profile and oversees the formulation, implementation and monitoring of the Group's internal controls. The Board is assisted in this task by the ARC, which functions as a board risk committee in addition to its role as the audit and risk management committee of the Board.

The ARC works with Management to articulate the Group's risk policies by identifying significant risks which might impact the Group's business. The Company maintains a risk register which is reviewed periodically by the ARC and Management. A risk rating system has been established to identify the tolerance level for the various identified risks and to determine the likelihood of incidence of such risks. Guidelines and strategies for the mitigation of such risks are set out in the risk register.

The ARC ensures the effective implementation and monitoring of internal controls by Management and the Internal Audit Department. The Internal Audit Department reports directly to the ARC. The Internal Audit Department adheres to an audit plan approved by the ARC in reviewing and testing the adequacy and effectiveness of the Group's internal controls.

On an annual basis, an internal audit and risk assurance report is presented to the ARC on significant risks and risk exposures impacting the Group's key businesses and the measures taken by Management to address them.

The Board recognises that no system of control will provide absolute assurance against material misstatement or loss. However, based on findings from reviews carried out by the Internal Audit Department and the assurance from the Head of the Internal Audit Department, Management and external auditors, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls for addressing financial, operational, compliance and information technology controls and risk management systems are adequate and effective.

On 23 August 2019, the Board received assurance from Mr Tang Hong Cheong and Mr Ho Kah Meng, who are the GMD and Chief Financial Officer respectively of the Company, that:

- The financial records of the Company have been properly maintained and the financial statements for FY2019 give a true and fair view of the Company's operations and finances; and
- The Company's system of risk management and internal controls is effective in addressing the material risks in its current business environment including financial, operational, compliance and information technology risks.

Principle 12
Audit and Risk Management Committee

The composition of the ARC is as set out on the inside back cover of this Annual Report. All the members of the ARC are non-executive Directors. All of its members, including the ARC Chairman, are independent.

All the ARC members have recent and relevant accounting or related financial management expertise or experience, and the Board is satisfied that such members are appropriately qualified to discharge their responsibilities.

The ARC has:

- explicit authority to investigate any matter within its terms of reference;
- full access to and cooperation from Management;
- the discretion to invite any Director or executive officer to attend its meetings; and
- reasonable resources for the proper discharge of its functions.

The terms of reference of the ARC are set out in the Company's Corporate Governance Code.

Under the written terms of reference of the ARC, the ARC's duties include the following:

- Reviewing the Group's financial statements prior to their submission to the Board;
- Reviewing the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls, and risk management);
- Reviewing the adequacy, results and effectiveness of internal and external audit;
- Reviewing the independence of external auditors and confirming that non-audit services (if any) provided by external auditors do not affect their independence, and making recommendations to the Board on the appointment of external auditors;
- Meeting with the Company's internal and external auditors in the absence of Management;
- Noting or reviewing interested person transactions; and
- Reviewing the Company's whistle-blowing policy which sets out the procedure for raising, responsibly and in confidence, concerns about possible improprieties.

During FY2019, the work performed by the ARC included the following:

- Reviewing the Group's financial statements prior to submission to the Board;
- Reviewing the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls, and risk management);
- Reviewing the adequacy, results and effectiveness of internal and external audit;
- Reviewing the independence of external auditors and confirming that non-audit services (if any) provided by external auditors do not affect their independence, and making recommendations to the Board on the appointment of external auditors;
- Meeting with the Company's internal and external auditors in the absence of Management; and
- Noting and reviewing interested person transactions.

For FY2019, audit fees of US$760,476 were paid or are payable to the Company's external auditors. Total non-audit fees of US$41,465 were paid or are payable to the external auditors for FY2019.

The ARC has discussed the key audit matters with Management and the Company's external auditors, and concurs with the findings and conclusions included in the Independent Auditors' Report with respect to the key audit matters. For more information on the key audit matters, please refer to pages 45 to 49 of this Annual Report.

In August 2006, the Company adopted a whistleblowing policy under which the staff of the Group and third parties may raise concerns regarding fraud, theft and other improprieties at work to the ARC Chairman or the Internal Audit Department for investigation. The policy provides reassurance to whistleblowers that they will not be victimised if they act in good faith.

The external auditors keep the ARC apprised of any changes to accounting standards and issues which have a direct impact on the Company's Financial Statements.

The Company is in compliance with Guideline 12.9 of the Code.

The Company has complied with Rules 712, 715 and 716 of the Listing Manual issued by SGX in relation to the appointment of its external auditors.

Principle 13
Internal Audit

The Group has an Internal Audit Department, comprising three experienced and qualified personnel, which assists the ARC in discharging its responsibilities. The ARC approves the employment, compensation, evaluation and removal of the Head of the Internal Audit Department. The Head of the Internal Audit Department reports directly to the ARC Chairman.

The Internal Audit Department has appropriate standing in the Group as it has the support and backing of the ARC and Management in the discharge of its function. In addition, the Internal Audit Department has access to external specialised expertise when necessary. Given such access, the ARC is of the view that the Group's internal audit function is adequately resourced.

The Internal Audit Department has unfettered access to the ARC, as well as all of the Company's documents, records, properties and staff.

The Internal Audit Department reviews the effectiveness of the Group's internal controls. Material non-compliance and internal control weaknesses noted during such audit and the recommendations of the Internal Audit Department are reported to the ARC quarterly.

Internal mitigating controls under the Group's risk management framework may not eliminate all risks of failure, but these control mechanisms seek to provide reasonable assurance against material misstatement or loss.

The Company's internal auditors meet or exceed the standards set by internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARC reviews the adequacy and effectiveness of the Internal Audit Department function annually.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14
Shareholder Rights

The Company treats its shareholders in a fair and equitable manner by protecting and facilitating the exercise of the rights of its shareholders and continually reviewing and updating the relevant governance arrangements.

Shareholders are given opportunities to participate and vote at the Company's general meetings. Notice of general meetings and the Company's Annual Reports are provided to the shareholders in a timely manner to ensure that the shareholders have adequate notice of the general meetings and sufficient information to exercise their rights at the general meetings. If any shareholder is unable to attend a general meeting, he or she may appoint up to two proxies to attend and vote on his or her behalf at such general meeting.

The Company has used the electronic poll voting system at its AGM since 2013, and will do so at its AGM in October 2019. Prior to polling, the electronic polling procedures are explained to the shareholders. An external independent scrutineer is appointed to oversee the polling process.

Principle 15
Communication with Shareholders

The Company engages its shareholders through timely and adequate disclosure of information on matters of material impact to its shareholders.

The principal forum for the Company's dialogues with shareholders is its general meetings, during which shareholders are given the opportunity to comment on and query matters relating to the Company. The Board, Management, the Company Secretary and the Company's external auditors are present at these meetings to address any questions that shareholders may have.

The Company provides information on the Group's financial performance, position and prospects by means of announcements released through SGXNet, the Company's Annual Reports and the Group's press releases. To ensure that all shareholders are made aware of such press releases, such press releases are posted in SGXNet.

To enhance communication with its shareholders, the Company's website at http://www.gl-grp.com provides access to its Annual Reports, financial highlights and announcements, as well as other information regarding the Company. In addition, the website includes a link which allows the Company to be easily contacted.

Enquiries from shareholders, investors, analysts and the press are handled by designated members of Management in lieu of a dedicated investor relations team.

Management meets investors and analysts on a regular basis. Such meetings provide a forum for explaining the Group's business strategy.

The Company ensures that all information that is disclosed is made available by one or more of the above means to all shareholders rather than a select group.

The Company adopted a dividend policy on 26 April 2019. The frequency and payment of dividend(s) depend on the Company's financial performance at the relevant time, the future financial requirements and any other factors the Board may deem relevant. Bearing such considerations in mind, the Company endeavours to achieve a balance between meeting the expectations of its shareholders and prudent financial management.

Declarations of dividend are clearly communicated to shareholders via announcements on SGXNET when the Company releases its annual financial results.

Principle 16
Conduct of Shareholder Meetings

The Company encourages active shareholder participation during its general meetings, and ensures that adequate time is allotted during such meeting for soliciting comments and queries from its shareholders on Company matters.

Due to security concerns, the Company will not be implementing absentia voting methods such as by mail, e-mail or facsimile.

Separate resolutions are proposed at general meetings for substantially separate issues.

The Board, Management, the Company Secretary and the Company's external auditors are present at the Company's general meetings to address any questions that shareholders may have.

Minutes of each general meeting are recorded by the Company Secretary and will be made available to shareholders on request.

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES

The Company has, in its Corporate Governance Code, provided guidelines to the Company's officers in relation to dealings in securities. These guidelines set out, inter alia, that officers should refrain from dealing in any securities of the Company when they are in possession of unpublished price-sensitive information in relation to those securities, and during the Company's closed period (defined as two weeks immediately preceding the announcement of the Company's quarterly or half yearly results, and one month immediately preceding the announcement of annual results, in each case up to and including the date of announcement of the relevant results). Officers are also reminded to refrain from dealing in the Company's securities on short-term considerations. These guidelines have been disseminated to all Directors, officers and key employees of the Group.

INTERESTED PERSON TRANSACTIONS

The ARC has reviewed the interested person transactions entered into by the Group during FY2019. The aggregate value of interested person transactions entered into during FY2019 is set out below.

Name of interested person	Aggregate value of all Interested Person Transactions entered into during FY2019 (excluding transactions less than S$100,000 each and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (excluding transactions less than S$100,000 each)
Hong Leong Group Malaysia	S$2,763,893	Not applicable

As the Company does not have any shareholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited, there is no interested person transaction associated therewith.

MATERIAL CONTRACTS

No material contract was entered into by the Company or any of its subsidiaries involving the interest of the GMD, a Director or the controlling shareholder of the Company which is either subsisting at the end of FY2019 or, if not then subsisting, entered into since the end of the financial year ended 30 June 2018.

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance.

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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 2019, 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 50 to 138.

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 2019 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 hotel properties

(Refer to Note 9 to the financial statements)

Risk

As at 30 June 2019, the Group's hotel portfolio, comprising 15 hotel properties located in the United Kingdom, had an aggregate carrying amount of US$985.1 million (2018: US$1,008.7 million). These hotel properties represent the single largest category of assets, accounting for 72% (2018: 69%) of the Group's total assets.

Hotel properties 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 significant impact to the valuation.

Our response

We evaluated the Group's process for identification of indicators of impairment of hotel properties. For each hotel property (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 property, including historical earnings before interest, taxation, depreciation and amortisation ("**EBITDA**"), growth rate, discount rate and EBITDA multiplier used to estimate the terminal value of each hotel property. 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 hotel properties. The basis and assumptions applied for computation of value in use of each hotel property with an indicator of impairment are supported by historical operating statistics and relevant comparable industry data.

Valuation of development properties

(Refer to Note 13 to the financial statements)

Risk

The Group held the development properties, comprising land parcels in Hawaii since 1987. It operated a ranch business on the island until its shutdown in March 2008 and the Group continues to explore options for monetising the development properties. As at 30 June 2019, the carrying amount of the development properties was US$184.7 million (2018: US$184.4 million). Development properties are stated at the lower of their costs and their net realisable values.

The determination of the net realisable values of the development properties, which is dependent on the expectations of future selling prices in Hawaii, involves significant judgment.

Our response

We assessed the reasonableness of the development properties' net realisable values appraised by the Group on a single portfolio basis. We considered the latest transaction prices of properties within the same vicinity in Hawaii and market research reports on property market trends and forecast, taking into consideration comparability with other sale transactions.

Our findings

We found that the Group's net estimated realisable values to be substantiated by recent sales transactions in Hawaii and property market trends, which were adjusted where relevant, to enhance comparability with the Group's development properties.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

(Refer to Note 30 to the financial statements)

Risk

Brexit is one of the most significant economic events for the United Kingdom ("**UK**"). Currently, there is unprecedented uncertainty surrounding Brexit, such as the terms on which the UK will leave the European Union, and whether transition arrangements or other factors may affect the timing and magnitude of any impacts of departure. While there is an increased risk of a no-deal Brexit, various scenarios remain possible and the full range of possible effects are unknown at this stage.

The valuation of hotel properties depends on the future economic environment and the Group's future prospects and performance.

Our response

We compared the Group's assessment of Brexit-related sources of risk for the Group's business and financial resources with our own understanding of the risks. We also considered the Group's plans to mitigate the risks. When addressing valuation of hotel properties, we included sensitivity analysis at the reasonably possible scenario resulting from Brexit.

Our findings

We found the Group's assessments in relation to Brexit-related sources of risk to be balanced. Nonetheless, the audit would not be able to predict the unknowable factors or all possible future implications, particularly in relation to Brexit.

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 Shareholding Statistics 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 Shareholding Statistics, 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.

INDEPENDENT
AUDITORS' REPORT

to the Members of GL LIMITED

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 Tan Kar Yee, Linda.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 September 2019

CONSOLIDATED
INCOME STATEMENT

For the year ended 30 June 2019

	Note	2019 US$M	2018@ US$M
Continuing operations			
Revenue	2	**349.3**	344.4
Cost of sales		**(201.8)**	(189.7)
Gross profit	3	**147.5**	154.7
Other operating income		**0.5**	28.7
Administrative expenses		**(78.5)**	(80.1)
Impairment loss on trade receivables		**(0.7)**	(0.2)
Other operating expenses		**(16.3)**	(0.1)
Operating profit		**52.5**	103.0
Finance income		**1.6**	1.6
Finance costs		**(13.2)**	(13.5)
Net financing costs	4	**(11.6)**	(11.9)
Profit before tax	5	**40.9**	91.1
Income tax expense	6	**(6.6)**	(20.4)
Profit for the year from continuing operations		**34.3**	70.7
Discontinued operation			
Profit / (loss) from discontinued operation, net of tax	7	**16.0**	(11.8)
Profit for the year		**50.3**	58.9
Profit attributable to:			
Owners of the Company		**50.3**	59.0
Non-controlling interests		*****	(0.1)
Profit for the year		**50.3**	58.9
Earnings per share			
Basic earnings per share (cents)	8	**3.9**	4.5
Diluted earnings per share (cents)	8	**3.9**	4.5
Earnings per share - continuing operations			
Basic earnings per share (cents)	8	**2.6**	5.4
Diluted earnings per share (cents)	8	**2.6**	5.4

@ Refer to Note 31 for details on the change in comparatives
* Amount less than US$0.1m

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the year ended 30 June 2019

	2019 US$M	2018 US$M
Profit for the year	**50.3**	58.9
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Pension actuarial (losses) / gain, net of tax	**(6.3)**	5.7
Change in fair value equity investments at fair value through other comprehensive income#	**(0.1)**	–
	(6.4)	5.7
Items that are or may be reclassified subsequently to profit or loss:		
Net exchange differences from consolidation of foreign operations#	**(33.2)**	6.4
Reclassification of exchange differences realised on disposal of subsidiaries to profit or loss#	**(17.5)**	–
Change in fair value of available-for-sale investments#	**–**	(0.1)
Effective portion of changes in fair value of cash flow hedges, net of tax	**0.7**	3.2
Net change in fair value of cash flow hedges reclassified to profit or loss	**0.3**	–
Other comprehensive income for the year, net of tax	**(56.1)**	15.2
Total comprehensive income for the year, net of tax	**(5.8)**	74.1
Total comprehensive income attributable to:		
Owners of the Company		
- Continuing operations	**(4.4)**	85.4
- Discontinued operation	**(1.5)**	(11.2)
Non-controlling interests	**0.1**	(0.1)
Total comprehensive income for the year	**(5.8)**	74.1

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

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2019

	Share capital US$M	Contributed surplus US$M	Translation reserve US$M	Fair value reserve US$M
Balance at 1 July 2018	**273.6**	**654.2**	**(250.8)**	**(0.8)**
Total comprehensive income for the year				
Profit/(loss) for the year	**–**	**–**	**–**	**–**
Other comprehensive income				
Pension actuarial losses, net of tax	**–**	**–**	**–**	**–**
Effective portion of changes in fair value of cash flow hedges, net of tax	**–**	**–**	**–**	**–**
Net change in fair value of cash flow hedges reclassified to profit or loss	**–**	**–**	**–**	**–**
Net exchange differences from consolidation of foreign operations	**–**	**–**	**(33.3)**	**–**
Reclassification of exchange differences realised on disposal of subsidiaries to profit or loss	**–**	**–**	**(17.5)**	**–**
Change in fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**–**	**(0.1)**
Total other comprehensive income, net of tax	**–**	**–**	**(50.8)**	**(0.1)**
Total comprehensive income for the year, net of tax	**–**	**–**	**(50.8)**	**(0.1)**
Transactions with owners, recorded directly in equity				
Value of employee services received for issue of share options	**–**	**–**	**–**	**–**
First and final dividend of 2.2 Singapore cents per share for the year ended 30 June 2018	**–**	**–**	**–**	**–**
Total transactions with owners	**–**	**–**	**–**	**–**
Balance at 30 June 2019	**273.6**	**654.2**	**(301.6)**	**(0.9)**

* Amount less than US$0.1m

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

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
(3.5)	(1.6)	3.0	(46.2)	474.7	1,102.6	(2.6)	1,100.0
–	–	–	–	50.3	50.3	*	50.3
–	–	–	–	(6.3)	(6.3)	–	(6.3)
0.7	–	–	–	–	0.7	–	0.7
0.3	–	–	–	–	0.3	–	0.3
–	–	–	–	–	(33.3)	0.1	(33.2)
–	–	–	–	–	(17.5)	–	(17.5)
–	–	–	–	–	(0.1)	–	(0.1)
1.0	–	–	–	(6.3)	(56.2)	0.1	(56.1)
1.0	–	–	–	44.0	(5.9)	0.1	(5.8)
–	–	0.5	–	–	0.5	–	0.5
–	–	–	–	(20.9)	(20.9)	–	(20.9)
–	–	0.5	–	(20.9)	(20.4)	–	(20.4)
(2.5)	(1.6)	3.5	(46.2)	497.8	1,076.3	(2.5)	1,073.8

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY** *(Continued)*

For the year ended 30 June 2019

	Share capital US$M	Contributed surplus US$M	Translation reserve US$M	Fair value reserve US$M
Balance at 1 July 2017	273.6	654.2	(257.2)	(0.7)
Total comprehensive income for the year				
Profit/(loss) for the year	–	–	–	–
Other comprehensive income				
Pension actuarial gain, net of tax	–	–	–	–
Net exchange differences from consolidation of foreign operations	–	–	6.4	–
Change in fair value of available-for-sale investments	–	–	–	(0.1)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	–
Total other comprehensive income, net of tax	–	–	6.4	(0.1)
Total comprehensive income for the year, net of tax	–	–	6.4	(0.1)
Transactions with owners, recorded directly in equity				
Value of employee services received for issue of share options	–	–	–	–
First and final dividend of 2.2 Singapore cents per share for the year ended 30 June 2017	–	–	–	–
Total transactions with owners	–	–	–	–
Balance at 30 June 2018	273.6	654.2	(250.8)	(0.8)

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

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
(6.7)	(1.6)	3.4	(46.2)	431.0	1,049.8	(2.5)	1,047.3
–	–	–	–	59.0	59.0	(0.1)	58.9
–	–	–	–	5.7	5.7	–	5.7
–	–	–	–	–	6.4	–	6.4
–	–	–	–	–	(0.1)	–	(0.1)
3.2	–	–	–	–	3.2	–	3.2
3.2	–	–	–	5.7	15.2	–	15.2
3.2	–	–	–	64.7	74.2	(0.1)	74.1
–	–	(0.4)	–	–	(0.4)	–	(0.4)
–	–	–	–	(21.0)	(21.0)	–	(21.0)
–	–	(0.4)	–	(21.0)	(21.4)	–	(21.4)
(3.5)	(1.6)	3.0	(46.2)	474.7	1,102.6	(2.6)	1,100.0

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 30 June 2019

	Note	2019 US$M	2018 US$M
ASSETS			
Hotels, property and equipment	9	**985.5**	1,009.2
Intangible assets	10	**63.5**	70.1
Pensions surplus	11	**7.1**	11.4
Other investments	12	**–**	0.2
TOTAL NON-CURRENT ASSETS		**1,056.1**	1,090.9
Other investments	12	**0.1**	–
Corporate tax recoverable		**1.1**	–
Inventories		**1.3**	0.4
Development properties	13	**184.7**	184.4
Trade and other receivables	14	**29.4**	42.8
Derivative financial assets	15	**0.3**	–
Cash and cash equivalents	16	**95.1**	105.4
Asset held for sale	17	**–**	31.7
TOTAL CURRENT ASSETS		**312.0**	364.7
TOTAL ASSETS		**1,368.1**	1,455.6
LIABILITIES			
Loans and borrowings	18	**209.7**	255.8
Pensions obligations	11	**2.4**	2.5
Deferred tax liabilities	19	**13.9**	18.1
Derivative financial liabilities	15	**3.4**	4.3
TOTAL NON-CURRENT LIABILITIES		**229.4**	280.7
Provisions	20	**5.5**	0.2
Trade and other payables	21	**58.5**	69.6
Corporate tax payable		**0.9**	5.1
TOTAL CURRENT LIABILITIES		**64.9**	74.9
TOTAL LIABILITIES		**294.3**	355.6
NET ASSETS		**1,073.8**	1,100.0
SHARE CAPITAL AND RESERVES (pages 52 to 55)	22		
Equity attributable to owners of the Company		**1,076.3**	1,102.6
Non-controlling interests		**(2.5)**	(2.6)
TOTAL EQUITY		**1,073.8**	1,100.0

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

On behalf of the Board of Directors



Tang Hong Cheong
Group Managing Director



Timothy Teo Lai Wah
Director

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2019

	Note	2019 US$M	2018 US$M
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**40.9**	91.1
Profit / (loss) before tax from discontinued operation		**15.9**	(11.2)
Adjustments for non-cash items			
Depreciation of hotels, property and equipment		**19.6**	21.0
Amortisation of intangible assets		**3.1**	3.4
Impairment of intangible asset		**–**	4.8
Impairment loss on trade receivables		**0.7**	0.2
Share option expenses / (benefits)		**0.5**	(0.4)
Impairment loss on other receivables and other provisions		**1.0**	–
Gain on disposal of discontinued operation		**(17.2)**	–
Gain on disposal of asset held for sale		**–**	(28.1)
Impairment loss on hotels, property and equipment		**9.1**	–
Loss / (gain) on disposal of hotels, property and equipment		**2.1**	(*)
Write-off of hotels, property and equipment		**0.2**	0.1
Net financing costs		**11.6**	12.0
Net change in working capital items			
Inventories and development properties		**(1.2)**	(1.7)
Trade and other receivables		**12.0**	3.5
Trade and other payables		**(11.0)**	(10.2)
Pension surplus and obligations		**(3.6)**	(4.3)
Provisions		**4.5**	–
Cash generated from operations		**88.2**	80.2
Interest received		**1.1**	0.5
Income tax paid		**(12.7)**	(15.6)
Cash flows from operating activities		**76.6**	65.1
INVESTING ACTIVITIES			
Proceeds from disposal of hotels, property and equipment		*****	*
Proceeds from disposal of asset held for sale		**–**	35.2
Proceeds from disposal of discontinued operation, net of cash disposed of		**30.1**	–
Acquisition of hotels, property and equipment		**(44.2)**	(31.0)
Cash flows (used in) / generated from investing activities		**(14.1)**	4.2
FINANCING ACTIVITIES			
Repayment of long-term borrowings		**(36.8)**	–
Interest paid		**(11.3)**	(13.5)
Upfront fees paid		**(1.6)**	–
Other finance costs paid		**(0.1)**	(0.2)
Realised exchange gains on financial derivatives		**0.2**	0.2
Dividend paid to shareholders of the Company		**(20.9)**	(21.0)
Cash flows used in financing activities		**(70.5)**	(34.5)
Net (decrease) / increase in cash and cash equivalents		**(8.0)**	34.8
Cash and cash equivalents at beginning of the year		**105.4**	69.9
Restricted cash		**0.4**	–
Effect of exchange rate fluctuations on cash held		**(2.7)**	0.7
Cash and cash equivalents at end of the year	16	**95.1**	105.4

* Amount less than US$0.1m

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

SIGNIFICANT
ACCOUNTING POLICIES

GL Limited (the "**Company**") is a company continued in Bermuda as an exempted company with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The intermediate holding company is Guoco Group Limited ("**GGL**"), incorporated in Bermuda. The ultimate holding company is Hong Leong Company (Malaysia) Berhad, incorporated in Malaysia. The consolidated financial statements for the year ended 30 June 2019 relate to the Company and its subsidiaries (together, "**Group**").

GL Limited is an investment holding company. The principal activities of its significant subsidiaries are in hotel management and operations, oil and gas, property development and other areas in the leisure industry.

(A) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") promulgated by the International Accounting Standards Board ("**IASB**"), and the requirements of Bermuda law.

The financial statements were authorised for issue by the Directors on 13 September 2019.

(B) BASIS OF PREPARATION

(i) Functional and presentation currency

These financial statements are presented in United States Dollars ("**USD**") which is the Company's functional currency. In determining the functional currency of the Company, management considered the economic environment that the Company operates and exercised judgment that USD represent the economic effect of the underlying transactions, events and conditions. All financial information have been rounded to the nearest hundred thousand, unless otherwise stated.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair value as described below.

(iii) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In addition to the Company's critical judgment in determining its functional currency as described above, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 9 - Measurement of recoverable amount of hotels, property and equipment
- Note 10 - Measurement of recoverable amount of intangible assets
- Note 13 - Valuation of development properties

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

(B) BASIS OF PREPARATION *(Continued)*

(iii) Use of estimates and judgments *(Continued)*

Measurement of fair value *(Continued)*

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with level 3 being the lowest).

The Group recognises transfer between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

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

- Note 12 - Valuation of other investments
- Note 24 - Valuation of financial instruments

(iv) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 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 and the Company except as described below.

The accounting policies have been applied consistently by Group entities.

(v) Changes in accounting policies

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 July 2018:

- IFRS 15 *Revenue from Contracts with Customers*;
- Clarifications to IFRS 15 *Revenue from Contracts with Customers* (Amendments to IFRS 15);
- IFRS 9 *Financial Instruments*;
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2);
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*.

The adoption of these IFRSs, amendments to standards and interpretations did not have a material effect on the Group's financial statements and the Company's statement of financial position.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables.

(B) BASIS OF PREPARATION *(Continued)*

(v) Changes in accounting policies *(Continued)*

a. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Group has adopted IFRS 15 using the cumulative effect method to contracts that are not completed contracts at the date of initial application (i.e. 1 July 2018), with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations, as applicable. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

The Group has also applied the practical expedient not to retrospectively restate contracts for contract modifications that occurred before the date of initial application. Instead, the Group has reflected the aggregate effect of all modifications that occurred before the date of initial application when:

- identifying the satisfied and unsatisfied performance obligations ("**PO**");
- determining the transaction price; and
- allocating the transaction price to the satisfied and unsatisfied PO.

The impact of IFRS 15 was limited to the new disclosure requirements.

b. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new expected credit loss ("**ECL**") model and a new general hedge accounting model. The Group adopted IFRS 9 from 1 July 2018.

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss. Previously, the Group's approach was to include the impairment of trade receivables in 'administrative expenses'. Consequently, the Group reclassified impairment losses amounting to US$0.2 million, recognised under IAS 39 *Financial Instruments*: *Recognition and Measurement*, from 'administrative expenses' to 'impairment loss on trade receivables' in the consolidated income statement for the year ended 30 June 2018. Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the consolidated income statement due to materiality considerations.

Additionally, the Group has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

(B) BASIS OF PREPARATION *(Continued)*

(v) Changes in accounting policies (Continued)

b. IFRS 9 Financial Instruments (Continued)

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied by the Group retrospectively, except as described below.

- The Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 July 2018. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
  - The determination of the business model within which a financial asset is held; and
  - The designation of certain investments in equity instruments not held for trading as at fair value through other comprehensive income ("**FVOCI**").

- Changes to hedge accounting policies have been applied prospectively.

- All hedging relationships designated under IAS 39 at 30 June 2018 met the criteria for hedge accounting under IFRS 9 at 1 July 2018 and are therefore regarded as continuing hedging relationships.

The transition to IFRS 9 did not have any impact on the opening balance of other reserves, retained earnings and non-controlling interests ("**NCI**").

The impact upon adoption of IFRS 9, including the corresponding tax effects, are described below.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and fair value through profit or loss ("**FVTPL**"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments, see (iii) below).

For an explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note E.

(B) BASIS OF PREPARATION *(Continued)*

(v) Changes in accounting policies *(Continued)*

b. IFRS 9 Financial Instruments *(Continued)*

(i) Classification and measurement of financial assets and financial liabilities *(Continued)*

The following tables and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's and the Company's financial assets and financial liabilities as at 1 July 2018.

Group	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US$M	New carrying amount under IFRS 9 US$M
Financial assets					
Other investments	12	Available-for-sale	FVOCI – equity instrument	0.2	0.2
Trade and other receivables[1]	14	Loans and receivables	Amortised cost	20.2	20.2
Cash and cash equivalents	16	Loans and receivables	Amortised cost	105.4	105.4
Total financial assets				**125.8**	**125.8**
Financial liabilities					
Derivative financial liabilities	15	Fair value – hedging instrument	Fair value – hedging instrument	4.3	4.3
Loans and borrowings	18	Amortised cost	Amortised cost	255.8	255.8
Trade and other payables[2]	21	Amortised cost	Amortised cost	62.7	62.7
Total financial liabilities				**322.8**	**322.8**

[1] Excludes prepaid expenses
[2] Excludes deposits received

(B) BASIS OF PREPARATION *(Continued)*

(v) Changes in accounting policies (Continued)

b. IFRS 9 Financial Instruments (Continued)

(i) Classification and measurement of financial assets and financial liabilities *(Continued)*

Company	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US$M	New carrying amount under IFRS 9 US$M
Financial assets					
Trade and other receivables[1]	14	Loans and receivables	Amortised cost	*	*
Advances to subsidiaries	27	Loans and receivables	Amortised cost	111.0	111.0
Cash and cash equivalents	16	Loans and receivables	Amortised cost	6.5	6.5
Total financial assets				**117.5**	**117.5**
Financial liabilities					
Trade and other payables	21	Amortised cost	Amortised cost	1.0	1.0
Total financial liabilities				**1.0**	**1.0**

[1] Excludes prepaid expenses
* Amount less than US$0.1m

a) These equity investments represent investments (i.e. shares in an unlisted venture fund) that the Group intend to hold for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

b) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI and intra-group financial guarantee contracts, but not to equity investments. The adoption of the new impairment model under IFRS 9 does not affect the carrying amount of intra-group financial guarantee contracts at 1 July 2018 as the amount initially recognised less the cumulative amount of income recognised in accordance with IFRS 15 is higher than the estimated ECL amount.

Under IFRS 9, credit losses are recognised earlier than under IAS 39. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group and the Company have determined that the application of IFRS 9's impairment requirements at 1 July 2018 results in an additional allowance for impairment that is immaterial.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Group and the Company measure the allowance for impairment is described in Note L.

(B) BASIS OF PREPARATION *(Continued)*

(v) Changes in accounting policies (Continued)

b. IFRS 9 Financial Instruments (Continued)

(iii) Hedge accounting

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses interest rate swaps contracts to hedge the variability in cash flows arising from changes in interest rates relating to borrowings. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

For an explanation of how the Group applies hedge accounting under IFRS 9, see Note G.

(C) BASIS OF CONSOLIDATION

(i) Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

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

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

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

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

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

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

(C) BASIS OF CONSOLIDATION *(Continued)*

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Accounting for subsidiaries of the Company

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(D) FOREIGN CURRENCY

(i) Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "**functional currency**").

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss. However, the foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("**OCI**"):

- an investment in equity instruments designated as at FVOCI (2018: available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit and loss));
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(D) FOREIGN CURRENCY *(Continued)*

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve ("**translation reserve**") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

(E) NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Non-derivative financial assets

(ii) Classification and subsequent measurement – Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(E) NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Continued)*

(ii) Classification and subsequent measurement – Policy applicable from 1 July 2018 (Continued)

(b) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

(c) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

(E) NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Continued)*

(ii) Classification and subsequent measurement – Policy applicable from 1 July 2018 *(Continued)*

Assessment whether contractual cash flows are solely payments of principal and interest *(Continued)*

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

(a) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(E) NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Continued)*

Classification and subsequent measurement – Policy applicable before 1 July 2018

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

(a) Loans and receivables

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

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, excluding prepaid expenses.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for- sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise shares in unlisted venture fund.

Non-derivative financial liabilities

(iii) Classification, subsequent measurement and gains and losses

The Group classifies non-derivative financial liabilities as other financial liabilities categories. Such financial liabilities are classified as measured at amortised cost. Other financial liabilities are initially measured at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, and trade and other payables.

(E) NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Continued)*

Non-derivative financial liabilities *(Continued)*

(iv) Derecognition

Non-derivative financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Non-derivative financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

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

(F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(G) DERIVATIVE FINANCIAL INSTRUMENTS, INCLUDING HEDGE ACCOUNTING

Derivative financial instruments and hedge accounting – Policy applicable from 1 July 2018

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(G) DERIVATIVE FINANCIAL INSTRUMENTS, INCLUDING HEDGE ACCOUNTING *(Continued)*

***Derivative financial instruments and hedge accounting – Policy applicable from 1 July 2018** (Continued)*

The Company designates certain derivatives as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under IAS 39 that were still existing as at 30 June 2018 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of IFRS 9.

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 interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Derivative financial instruments and hedge accounting – Policy applicable before 1 July 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2019. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of IFRS 9. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under IFRS 9. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss.

(H) HOTELS, PROPERTY AND EQUIPMENT

(i) Recognition and measurement

Items of hotels, property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of hotels, property and equipment have different useful lives, they are accounted for as separate items (major components) of hotels, property and equipment.

The gain and loss on disposal of an item of hotels, property and equipment is recognised in profit or loss.

(H) HOTELS, PROPERTY AND EQUIPMENT *(Continued)*

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of hotels, property and equipment. Freehold land is not depreciated.

Depreciation rates for the current and comparative years are as follows:

Core elements of freehold building and long leasehold land and buildings (more than 20 years to run)	Remaining useful economic life (up to 100 years)
Short leasehold land and buildings (less than 20 years to run)	Remaining life of lease
Vehicles and fittings	4% to 331/3%

Depreciation method, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(I) INTANGIBLE ASSETS

(i) Bass Strait oil and gas royalty

Bass Strait oil and gas royalty is measured at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so as to write off the cost over its estimated useful life of 30 years.

Amortisation method and useful life are reviewed at each financial year-end and adjusted if appropriate.

(ii) Casino licence

The Group capitalises acquired casino licence. Management believes that licence has an indefinite life as there is no foreseeable limit to the period during which the licence is expected to generate net cash inflows and holds a value outside the property in which it resides. The licence is stated at cost and reviewed annually for impairment.

(iii) Hotel brand

The hotel brand is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so as to write off the cost over its estimated useful life of 10 years.

(iv) Casino brand

The Group capitalises acquired casino brand. Management believes that the brand has an indefinite life as there is no foreseeable limit to the period during which the brand is expected to generate net cash inflows. The casino brand is stated at cost and reviewed annually for impairment.

(J) DEVELOPMENT PROPERTIES

Development properties are measured at the lower of cost and net realisable value. The cost of development properties includes expenditure incurred in acquiring the development properties and other cost incurred bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(K) INVENTORIES

Inventories comprise food, beverages, and retail vouchers for resale and are measured at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. The cost of inventories is based on the first-in first-out principle, and include expenditure incurred in acquiring the inventories and other cost incurred bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(L) IMPAIRMENT

(i) Impairment of non-derivative financial assets

Policy applicable from 1 July 2018

The Group recognises loss allowances for ECLs on all financial assets measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(L) IMPAIRMENT *(Continued)*

(i) Impairment of non-derivative financial assets *(Continued)*

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 July 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there is objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlated with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment. The Group considered a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both an Individual asset and collective level. All individually significant loans and receivables were individually assessed for impairment. Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet been identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment were carried out by grouping together assets with similar risk characteristics.

(L) IMPAIRMENT *(Continued)*

(i) Impairment of non-derivative financial assets (Continued)

***Loans and receivables** (Continued)*

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss recognised previously in profit or loss. For an investment in an equity security classified as available-for-sale were not reversed through profit or loss.

(ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("**CGU**") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

(M) NON-CURRENT ASSET HELD FOR SALE

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Hotels, property and equipment and intangible assets once classified as held for sale are not amortised or depreciated.

(N) EMPLOYEE BENEFITS

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA from rating agency that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed at least once every three years by a qualified actuary and informal valuations are carried out in the intervening years using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in OCI and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

(N) EMPLOYEE BENEFITS *(Continued)*

(iii) Share-based payment transactions

The stock option programme allows Group's employees to acquire shares of the Company. The option exercise price equals 5-day weighted average market price of the shares immediately prior to the date of grant for which there was trading in the shares ("**Market Price**"), or to the Market Price or to the Market Price discounted by not more than 20%.

The Group accounts for the stock options as equity settled. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity compensation reserve. The fair value is measured at grant date and spread over the period during which the options vest.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period, where necessary.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(O) PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(P) SHARE CAPITAL

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

(Q) PURCHASE OF SHARE CAPITAL FOR EQUITY AND EQUITY-RELATED COMPENSATION BENEFITS

Shares purchased for the purpose of Executives' Share Options Scheme ("**ESOS**") and Executives' Share Scheme 2018 ("**ESS**") are classified as ESOS reserve and presented as a deduction from equity.

Equity is reduced by the costs associated with such purchase, comprising the purchase consideration plus costs incidental to the acquisition.

(R) REVENUE AND INCOME RECOGNITION

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods and services. Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO.

Revenue from hotel operations is recognised in the profit or loss on an accrual basis, upon services being rendered. Revenue from hotel operations includes income earned from sales of food and beverages, rendering of laundry services, sublease rental income and other miscellaneous income. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

Revenue from oil and gas royalty is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(R) REVENUE AND INCOME RECOGNITION *(Continued)*

Revenue from gaming operations represents the net gaming wins and losses before deduction of gaming duty.

Revenue from property development relates to utility and lease income. Utility income is recognised in the profit or loss on an accrual basis, upon water being generated. Lease income is recognised in the profit or loss on an accrual basis in accordance with the substance of the lease agreements.

(S) OPERATING LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(T) FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;
- hedge ineffectiveness recognised in profit or loss; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(U) INCOME TAX

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

(V) DISCONTINUED OPERATION

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

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

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

(W) EARNINGS PER SHARE

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

(X) SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision-makers ("**CODM**") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire hotels, property and equipment, and intangible assets.

Except where stated to refer to the Company, all notes refer to the Group.

1. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's CODM for the purposes of strategic decision making, resource allocation and performance assessment, the Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in different business activities, offer different products and services and are managed separately.

The following summary describes the operations in each of the Group's reportable segments:

Hotels:	This segment owns, leases and manages a chain of hotels in the United Kingdom under the "Amba", "Guoman", "Thistle", "Thistle Express" and "Hard Rock" brand names.
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait's oil and gas production in Australia.
Property development:	This segment engages in development of land and properties in Hawaii for sale.
Gaming:	This segment engaged in casino operations under The Clermont Club, an exclusive casino in Mayfair, London, and was discontinued during the prior year and disposed during the year.
Others:	This segment covers the Group's other investments, treasury operations and corporate office.

Geographical Segments

The geographical segments are United Kingdom, Australasia, United States of America and Asia.

In presenting information geographically, segment revenue is based on the geographical location of the external customers. Segment assets are based on the geographical location of the assets. There are no transactions between reportable segments.

Major customer

There is no major customer contributing 10 per cent or more to the revenue of the Group.

1. SEGMENT REPORTING *(Continued)*

(i) Reportable segment revenue and profit and loss

	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
2019							
Revenue	**317.0**	**29.2**	**3.1**	**–**	**349.3**	**–**	**349.3**
Cost of sales	**(201.8)**	**–**	*****	**–**	**(201.8)**	**–**	**(201.8)**
Gross profit	**115.2**	**29.2**	**3.1**	**–**	**147.5**	**–**	**147.5**
Other operating income	**0.2**	**–**	**–**	**0.3**	**0.5**	**17.2**	**17.7**
Administrative expenses	**(64.7)**	**(4.3)**	**(5.2)**	**(4.3)**	**(78.5)**	**(1.3)**	**(79.8)**
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	**(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**
2018@							
Revenue	317.4	24.2	2.8	–	344.4	2.6	347.0
Cost of sales	(189.7)	–	*	–	(189.7)	(0.6)	(190.3)
Gross profit	127.7	24.2	2.8	–	154.7	2.0	156.7
Other operating income	28.1	–	–	0.6	28.7	0.1	28.8
Administrative expenses	(65.8)	(4.6)	(5.2)	(4.5)	(80.1)	(8.4)	(88.5)
Impairment loss on trade receivables	(0.2)	–	*	–	(0.2)	*	(0.2)
Other operating expenses	(0.1)	–	*	–	(0.1)	(4.8)	(4.9)
Operating profit/(loss)	89.7	19.6	(2.4)	(3.9)	103.0	(11.1)	91.9
Finance income	0.7	–	–	0.9	1.6	–	1.6
Finance costs	(13.4)	–	–	(0.1)	(13.5)	(0.1)	(13.6)
Net financing (costs)/ income	(12.7)	–	–	0.8	(11.9)	(0.1)	(12.0)
Profit/(loss) before tax	77.0	19.6	(2.4)	(3.1)	91.1	(11.2)	79.9
Income tax expense	(12.5)	(7.9)	–	*	(20.4)	(0.6)	(21.0)
Profit/(loss) for the year	64.5	11.7	(2.4)	(3.1)	70.7	(11.8)	58.9

@ Refer to Note 31 for details on the change in comparatives
* Amount less than US$0.1m

1. SEGMENT REPORTING *(Continued)*

(ii) Reportable segment asset and liability

	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
2019							
Segment assets	**1,048.6**	**63.3**	**186.2**	**70.0**	**1,368.1**	**–**	**1,368.1**
Segment liabilities	**282.2**	**–**	**5.5**	**6.6**	**294.3**	**–**	**294.3**
Depreciation and amortisation	**19.5**	**3.1**	**0.1**	*****	**22.7**	*****	**22.7**
Capital expenditure	**43.9**	**–**	**0.2**	**0.1**	**44.2**	**–**	**44.2**
2018							
Segment assets	1,132.8	69.9	185.4	35.2	1,423.3	32.3	1,455.6
Segment liabilities	347.1	–	0.8	5.8	353.7	1.9	355.6
Depreciation and amortisation	20.5	3.4	0.1	*	24.0	0.4	24.4
Capital expenditure	31.0	–	*	–	31.0	*	31.0

(iii) Geographical information

	United Kingdom US$M	Australasia US$M	United States of America US$M	Asia US$M	Total US$M
2019					
Revenue	**317.0**	**29.2**	**3.1**	**–**	**349.3**
Non-current assets	**992.4**	**63.3**	**0.3**	**0.1**	**1,056.1**
Capital expenditure	**43.9**	**–**	**0.2**	**0.1**	**44.2**
2018					
Revenue[#]	320.0	24.2	2.8	–	347.0
Non-current assets	1,020.5	69.9	0.4	0.1	1,090.9
Capital expenditure	31.0	–	*	–	31.0

* Amount less than US$0.1m

[#] Comprises revenue from continuing and discontinued operations

2. REVENUE

	2019 US$M	2018 US$M
Revenue from hotel operations	**317.0**	317.4
Revenue from Bass Strait oil and gas royalty	**29.2**	24.2
Revenue from property developments	**3.1**	2.8
	349.3	344.4

3. OTHER OPERATING INCOME

	2019 US$M	2018 US$M
Sundry income	**0.5**	0.6
Gain on disposal of assets held for sale	**–**	28.1
	0.5	28.7

4. NET FINANCING COSTS

	2019 US$M	2018 US$M
Interest income	**1.1**	0.5
Foreign exchange gain	**–**	0.6
Other finance income	**0.5**	0.5
Finance income	**1.6**	1.6
Interest expense	**(11.3)**	(13.3)
Foreign exchange loss	**(0.6)**	–
Cash flow hedge – ineffective portion of changes in fair value	**(0.3)**	–
Other finance costs	**(1.0)**	(0.2)
Finance costs	**(13.2)**	(13.5)
Net financing costs	**(11.6)**	(11.9)

5. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	2019 US$M	2018 US$M
Audit fees paid to:			
- auditors of the Company		**0.2**	0.2
- other auditors		**0.6**	0.4
Non-audit fees paid to:			
- auditors of the Company		*****	*
- other auditors		*****	0.1
Operating lease expense	25	**45.9**	43.3
Management fees paid to related party	27	**1.8**	3.4
Depreciation and amortisation		**22.7**	24.0
Personnel expenses (see below)		**86.7**	83.3
Provision for legal claims	20	**4.9**	–
Impairment loss of hotels, property and equipment		**9.1**	–
Loss on disposal of hotels, property and equipment		**2.1**	–
Write-off of hotels, property and equipment		**0.2**	0.1
Impairment loss on other receivables and other provisions		**1.0**	–

Personnel expenses

Wages, salaries and benefits	**84.1**	86.9
Contribution to defined contribution plans	**1.4**	1.2
Contribution to defined benefit plans	**0.4**	0.5
Share option expenses / (benefit)	**0.5**	(0.4)
Directors' fees	**0.3**	0.3
	86.7	88.5
Less: amount attributable to discontinued operation	**(*)**	(5.2)
Amount attributable to continuing operations[#]	**86.7**	83.3

[#] Includes US$53.0m (2018: US$ 51.7m) in 'cost of sales' and US$33.7m (2018: US$ 31.6m) in 'administrative expenses'

Included in personnel expenses is compensation to key management personnel of the Group as follows:

	2019 US$M	2018 US$M
Directors of the Company		
- fees		
Senior management personnel of the Group	**0.3**	0.3
- salaries, bonuses, contributions to defined contribution and benefit plans and other benefits	**1.9**	2.0
- share option expenses	**0.4**	0.1

* Amount less than US$0.1m

6. INCOME TAX EXPENSE

Recognised in the income statement

	2019 US$M	2018 US$M
Current tax expense:		
Current year	**16.7**	16.5
Adjustments for prior years	**(8.7)**	(0.6)
	8.0	15.9
Deferred tax (benefit)/expense:		
Origination and reversal of temporary differences	**(1.6)**	6.2
Reduction in tax rate	**0.2**	(0.1)
Adjustments for prior years	*****	(1.6)
	(1.4)	4.5
Total income tax expenses on continuing operations	**6.6**	20.4

Reconciliation of effective tax

	2019 US$M	2018 US$M
Profit before tax from continuing operations	**40.9**	91.1
Effect of:		
Tax at the applicable tax rates[#] to profits in the countries concerned	**10.0**	16.6
Adjustments for prior years	**(8.7)**	(2.2)
Reduction in tax rate	**0.2**	(0.1)
Non-taxable income	**(1.9)**	(0.5)
Non-deductible expenses	**4.4**	3.6
Changes in unrecognised temporary differences	**2.7**	3.0
Others	**(0.1)**	*
	6.6	20.4

There is no tax payable by the Company as it is not liable for income tax in Bermuda.

[#] This mainly comprises the combined corporate tax rates of United Kingdom, Australia and Fiji at 19%, 30% and 20% (2018: 19%, 30% and 20%) respectively.
* Amount less than US$0.1m

7. DISCONTINUED OPERATION

On 29 March 2018, the Group ceased its gaming operation and reclassified its casino licence to assets held for sale (Note 17). The gaming operation was disposed during the year ended 30 June 2019.

	2019 US$M	2018 US$M
Results of discontinued operation		
Revenue	**–**	2.6
Expenses	**(1.3)**	(13.8)
Operating loss before tax	**(1.3)**	(11.2)
Income tax expense		
- Deferred tax benefit / (expense)	**0.1**	(0.6)
Operating loss for the year	**(1.2)**	(11.8)
Gain on sale of discontinued operation, net of tax	**17.2**	–
Profit / (loss) from discontinued operation for the year	**16.0**	(11.8)
Basic earnings (loss) per share (cents)	**1.2**	(0.9)
Diluted earnings (loss) per share (cents)	**1.2**	(0.9)

Gain on sale of discontinued operation, net of tax:

	2019 US$M
Sales consideration	**30.9**
Less: Net assets disposed off	**(30.2)**
Less: Transaction related costs	**(0.5)**
Less: Impairment	**(0.5)**
Add: Reclassification of foreign currency translation reserve on disposal of subsidiaries	**17.5**
Gain on sale of discontinued operation	**17.2**

The profit from discontinued operation of US$16.0m (2018: loss of US$11.8m) is attributable entirely to the owners of the Company. Of the profit from continuing operations of US$34.3m (US$70.7m), an amount of US$34.3m (2018: US$70.8m) is attributable to the owners of the Company.

	2019 US$M	2018 US$M
Cash flows from / (used in) discontinued operation		
Net cash used in operating activities	**(1.6)**	(6.2)
Net cash from investing activities	**30.1**	*
Net cash used in financing activities	**–**	(0.1)
Net cash flows for the year	**28.5**	(6.3)

* Amount less than US$0.1m

7. DISCONTINUED OPERATION *(Continued)*

Effect of disposal on the financial position of the Group

Group	2019 US$M
Intangible asset	**30.7**
Property, plant and equipment	**0.2**
Trade and other receivables, net of impairment loss	**0.5**
Cash and cash equivalents	**0.8**
Deferred tax liabilities	**(1.6)**
Trade and other payables	**(0.4)**
Net assets and liabilities	**30.2**
Consideration received, satisfied in cash	**30.9**
Cash and cash equivalents disposed of	**(0.8)**
Net cash inflow	**30.1**

8. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of US$50.3m (2018: US$59.0m) and the weighted average number of ordinary shares outstanding during the year, calculated as follows:

	Continuing operations US$M	Discontinued operation US$M	Group US$M
Profit attributable to ordinary shareholders			
2019			
Profit for the year	**34.3**	**16.0**	**50.3**
2018			
Profit / (loss) for the year	70.8	(11.8)	59.0

	Note	2019 M	2018 M
Weighted average number of ordinary shares (basic)			
Issued ordinary shares at 1 July	22	**1,368.1**	1,368.1
ESOS reserve	22	**(68.3)**	(68.3)
Weighted average number of ordinary shares at 30 June		**1,299.8**	1,299.8

8. EARNINGS PER SHARE *(Continued)*

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2019 was based on the net profit attributable to ordinary shareholders of US$50.3m (2018: US$59.0m) and the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential ordinary shares, calculated as follows:

	Continuing operations US$M	Discontinued operation US$M	Group US$M
Profit attributable to ordinary shareholders			
2019			
Profit for the year	**34.3**	**16.0**	**50.3**
2018			
Profit / (loss) for the year	70.8	(11.8)	59.0

	2019 M	2018 M
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic) at 30 June	**1,299.8**	1,299.8
Effect of weighted average share options in issue	**–**	–
Weighted average number of ordinary shares (diluted) at 30 June	**1,299.8**	1,299.8

As at 30 June 2019, there were no outstanding dilutive potential ordinary shares (2018: Nil).

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

9. HOTELS, PROPERTY AND EQUIPMENT

Group	Freehold land and buildings US$M	Leasehold land and buildings US$M	Vehicles and fittings US$M	Total US$M
2019				
Cost				
Balance at 1 July 2018	**380.2**	**667.0**	**370.7**	**1,417.9**
Effect of movements in foreign exchange	**(14.0)**	**(24.7)**	**(13.5)**	**(52.2)**
Additions	**29.6**	**1.2**	**13.4**	**44.2**
Disposals/written off	**(2.0)**	**(0.2)**	**(8.8)**	**(11.0)**[#]
Balance at 30 June 2019	**393.8**	**643.3**	**361.8**	**1,398.9**
Accumulated depreciation				
Balance at 1 July 2018	**35.5**	**92.2**	**281.0**	**408.7**
Effect of movements in foreign exchange	**(1.5)**	**(3.7)**	**(10.3)**	**(15.5)**
Depreciation charge	**2.8**	**6.5**	**10.3**	**19.6**
Impairment loss	**6.2**	**0.1**	**2.8**	**9.1**
Disposals/written off	**(0.9)**	**(*)**	**(7.6)**	**(8.5)**[#]
Balance at 30 June 2019	**42.1**	**95.1**	**276.2**	**413.4**
Carrying amounts at 30 June 2019	**351.7**	**548.2**	**85.6**	**985.5**
2018				
Cost				
Balance at 1 July 2017	352.6	657.6	359.5	1,369.7
Effect of movements in foreign exchange	4.9	9.1	5.0	19.0
Additions	22.7	0.3	8.0	31.0
Disposals/written off	–	–	(1.8)	(1.8)
Balance at 30 June 2018	380.2	667.0	370.7	1,417.9
Accumulated depreciation				
Balance at 1 July 2017	32.5	84.3	267.8	384.6
Effect of movements in foreign exchange	0.4	1.0	3.4	4.8
Depreciation charge	2.6	6.9	11.5	21.0
Disposals/written off	–	–	(1.7)	(1.7)
Balance at 30 June 2018	35.5	92.2	281.0	408.7
Carrying amounts at 30 June 2018	344.7	574.8	89.7	1,009.2

[#] Including equipment with carrying amount of $0.2m relating to the gaming operation and the disposal loss was recognised within 'gain on sale of discontinued operation' (see Note 7)

* Amount less than US$0.1m

9. HOTELS, PROPERTY AND EQUIPMENT *(Continued)*

Hotels, property and equipment are reviewed for impairment based on each hotel property being an individual cash generating unit ("**CGU**"). The Group estimates the recoverable amount of hotels, property and equipment using the value in use derived from discounted cash flow projections of hotel properties. The estimation of value in use of hotels involves the projection of EBITDA forecast, revenue growth of 3% (2018: 2%) and maintenance capital expenditure over a period, and discounting the income stream with a pre-tax discount rate of 9.81% (2018: 9.50%).

During the year, the management fully impaired the Thistle Express Luton and Thistle Express Swindon as their recoverable amount using value in use were assessed to be nil. The impairment loss of US$9.1m (2018: Nil) was included in 'other operating expenses'.

Except for these two hotels, the recoverable amounts of the remaining hotels were estimated to be higher than its carrying amount as at 30 June 2019, and therefore, no impairment (2018: Nil) was recognised during the year.

As at 30 June 2019, the Group's secured borrowings totalling US$71.9m (2018: US$75.0m) (Note 18) were secured on one hotel (2018: one hotel) owned by the Group with carrying amount of US$115.8m (2018: US$116.9m).

10. INTANGIBLE ASSETS

Group	Bass Strait oil and gas royalty US$M	Casino licence US$M	Casino/ Hotel brand US$M	Total US$M
2019				
Cost				
Balance at 1 July 2018	**139.9**	**–**	**8.5**	**148.4**
Effect of movements in foreign exchange	**(7.2)**	**–**	**0.1**	**(7.1)**
Disposals/written off	**–**	**–**	**(8.3)**	**(8.3)**
Balance at 30 June 2019	**132.7**	**–**	**0.3**	**133.0**
Accumulated amortisation				
Balance at 1 July 2018	**70.0**	**–**	**8.3**	**78.3**
Amortisation	**3.1**	**–**	*****	**3.1**
Disposals/written off	**–**	**–**	**(8.3)**	**(8.3)**
Effect of movements in foreign exchange	**(3.7)**	**–**	**0.1**	**(3.6)**
Balance at 30 June 2019	**69.4**	**–**	**0.1**	**69.5**
Carrying amounts at 30 June 2019	**63.3**	**–**	**0.2**	**63.5**

* Amount less than US$0.1m

10. INTANGIBLE ASSETS *(Continued)*

Group	Bass Strait oil and gas royalty US$M	Casino licence US$M	Casino/ Hotel brand US$M	Total US$M
2018				
Cost				
Balance at 1 July 2017	145.4	31.2	8.4	185.0
Effect of movements in foreign exchange	(5.5)	0.5	0.1	(4.9)
Transfer to assets held for sale	–	(31.7)	–	(31.7)
Balance at 30 June 2018	139.9	–	8.5	148.4
Accumulated amortisation and impairment losses				
Balance at 1 July 2017	69.4	–	3.6	73.0
Amortisation	3.4	–	*	3.4
Impairment loss	–	–	4.8	4.8
Effect of movements in foreign exchange	(2.8)	–	(0.1)	(2.9)
Balance at 30 June 2018	70.0	–	8.3	78.3
Carrying amounts at 30 June 2018	69.9	–	0.2	70.1

* Amount less than US$0.1m

The amortisation of intangible assets is included in 'administrative expenses'.

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait's oil and gas production in Australia.The independent appraiser has estimated the recoverable amount for the Bass Straits oil and gas royalty based on the present value of the future cash flows expected to be derived from the CGU (value in use method) using the pre-tax discount rate of 10% (2018: 10%) and inflation rate of 2% (2018: 2%), and assuming production years up to 2037. The recoverable amount of the Bass Strait oil and gas royalty was estimated to be higher than its carrying amount as at 30 June 2019, and therefore, no impairment was required (2018: Nil).

During the year, in conjunction to the disposal of the gaming operations, the Group wrote off the Clemont casino brand, which had been fully amortised and carrying amount of US$Nil (see Note 7). No loss was recognised as a result of the write-off (2018: Nil).

In the previous year, the Group reclassified the casino licence to assets held for sale following the cessation of its casino operations on 29 March 2018 (see Note 17).

11. PENSIONS SURPLUS AND OBLIGATIONS

Group	2019 US$M	2018 US$M
Balance at 1 July 2018	**(8.9)**	2.2
Provisions made during the year (net)	**8.0**	(6.4)
Provisions utilised during the year	**(4.1)**	(4.8)
Effect of movements in exchange rates	**0.3**	0.1
Balance at 30 June 2019	**(4.7)**	(8.9)

	2019 US$M	2018 US$M
Pensions as at 30 June are classified as:		
Pensions surplus	**(7.1)**	(11.4)
Pensions obligations	**2.4**	2.5
	(4.7)	(8.9)

The Group has several defined contribution and defined benefit pension schemes, all of which are closed to new members and their assets are held in separate funds administered by independent trustees. Actuarial valuations are carried out at least once every three years. The Group has set aside sufficient funds to fund the scheme.

These defined benefit pension schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

11. PENSIONS SURPLUS AND OBLIGATIONS *(Continued)*

Group	2019 US$M	2018 US$M
Present value of funded obligations	**123.1**	120.6
Less: Fair value of plan assets	**(127.8)**	(129.5)
Present value of net assets	**(4.7)**	(8.9)
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	**120.6**	130.8
Current service cost	**0.4**	0.3
Interest cost	**3.3**	3.6
Actuarial (gains)/ losses arising from:		
- demographic assumption	**(2.6)**	(1.9)
- financial assumption	**9.6**	(5.1)
- experience adjustment	**0.3**	(2.1)
Benefits paid	**(3.9)**	(6.8)
Effects of movements in exchange rates	**(4.6)**	1.8
Closing defined benefit obligation	**123.1**	120.6
Changes in the fair value of plan assets:		
Opening fair value of plan assets	**(129.5)**	(128.6)
Contributions from the Company	**(4.1)**	(4.8)
Benefits paid	**3.9**	6.8
Actuarial gains	**(3.0)**	(1.2)
Effects of movements in exchange rates	**4.9**	(1.7)
Closing fair value of plan assets	**(127.8)**	(129.5)
Movements in the net (assets)/liabilities for defined benefit pension scheme obligations recognised in the statement of financial position:		
Opening balance	**(8.9)**	2.2
Contributions paid	**(4.1)**	(4.8)
Expense recognised in the income statement	**0.4**	0.5
Actuarial losses/(gains) recognised in other comprehensive income	**7.6**	(6.9)
Effect of movements in exchange rates	**0.3**	0.1
Closing balance	**(4.7)**	(8.9)

11. PENSIONS SURPLUS AND OBLIGATIONS *(Continued)*

Group	2019 US$M	2018 US$M
Expense recognised in the income statement:		
Current service costs	**0.4**	0.3
Net interest expense on obligation	**(*)**	0.2
	0.4	0.5
Plan assets comprise:		
Equity/Diversified growth fund	**65.8**	68.7
Bond	**61.2**	60.6
Cash	**0.8**	0.2
	127.8	129.5

* Amount less than US$0.1m

Principal actuarial assumptions as at the reporting date (expressed as weighted averages):

Group	2019 %	2018 %
Discount rate	**2.30 – 3.00**	2.85 – 3.00
Rate of increase to pensions in payment (RPI maximum 5% pa)	**3.00**	3.00
Rate of increase to pensions in payment (CPI maximum 3% pa)	**1.80**	1.80
Rate of increase to pensions in payment (CPI maximum 2.5% pa)	**1.65**	1.65
Rate of increase in salaries	**3.70**	3.60

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Group	Increase US$M	Decrease US$M
2019		
Discount rate (1% movement)	**(19.9)**	**19.9**
Rate of increase to pensions in payment (1% movement)	**5.7**	**(5.7)**
Rate of increase in salaries (1% movement)	**0.1**	**(0.1)**
Future mortality (1% movement)	**4.2**	**(4.1)**
2018		
Discount rate (1% movement)	(20.3)	20.3
Rate of increase to pensions in payment (1% movement)	5.2	(5.2)
Rate of increase in salaries (1% movement)	0.1	(0.1)
Future mortality (1% movement)	4.1	(4.0)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

12. OTHER INVESTMENTS

At 1 July 2018, the Group designated the investments shown below as equity investments as at FVOCI because these equity investments represent investments that the Group intends to hold for strategic purposes and not for trading. In last financial period, these investments were classified as available-for-sale.

Group	2019 US$M	2018 US$M
Available-for-sale investment:		
Shares in unlisted venture fund (non-current)	**–**	0.2
Equity instrument at FVOCI:		
Shares in unlisted venture fund (current)	**0.1**	–
	0.1	0.2

No dividend income was recognised during the year in relation to these equity investments (2018: Nil).

Other investments carried at fair value are categorised within level 3 of the fair value hierarchy. The fair values are determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the venture fund. The assets held by the venture fund comprise mainly non-publicly traded securities.

Non-publicly traded securities for which observable market prices in active markets do not exist are reported at estimated fair value, determined based on the best information available and by reference to information including, but not limited to, the following: projected net earnings before interest, taxes, depreciation and amortisation (EBITDA); financial position; comparable public or private sales transactions; subsequent rounds of financing; valuations for publicly traded comparable companies and/or other measures; and consideration of any other information, including the types of securities held and restrictions on disposition of the securities.

The methods used to estimate fair value included (a) the market approach (fair value derived by reference to observable valuation measures) or (b) the income approach (e.g. the discounted cash flow method). The estimated fair value of other investments would increase if net asset value was higher.

No investments were disposed of during 2019 (2018: Nil), and there were no transfers of any cumulative gain or loss within equity relating to the venture fund (2018: Nil).

The venture fund has a fund period which expired on November 2017 and will be liquidated by the general partner within two years from the expiration of the fund period.

The Group's exposure to credit and market risk and fair value information related to other investments are disclosed in Note 24.

13. DEVELOPMENT PROPERTIES

As at 30 June 2019, the Group's development properties, which are wholly owned, are located in the United States of America, comprising 54,486 (2018: 54,486) acres of land parcels on Molokai island in Hawaii. The Group continues to explore options for monetising the development properties on a single portfolio basis.

The Board has reviewed the expected net realisable value of the development properties on a single portfolio basis as the land parcels are located in the same geographical area in Hawaii, taking into account prevailing and forecast market conditions as well as latest transaction prices of properties within the same vicinity. The estimated net realisable value of the development properties exceeded the carrying amount as at 30 June 2019, and thus, no write-down was required (2018: Nil).

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 US$M	**2018 US$M**	**2019 US$M**	**2018 US$M**
Trade receivables[#]	**11.5**	15.9	**–**	–
Deposits	**0.1**	0.1	**–**	–
Interest receivables	*****	*	*****	*
Other receivables	**6.1**	4.2	**–**	–
Prepaid expenses	**11.7**	22.6	**0.3**	0.3
	29.4	42.8	**0.3**	0.3

[#] Trade receivables are stated net of allowance for impairment loss of US$1.1m (2018: US$0.6m). Refer to Note 24 for more details.
* Amount less than US$0.1m

The Group's exposure to credit and foreign currency risks, and impairment losses for trade and other receivables are disclosed in Note 24.

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2019 US$M	**2018 US$M**	**2019 US$M**	**2018 US$M**
Derivative financial assets - Current				
Forward exchange contract	**0.3**	–	**0.3**	–
	0.3	–	**0.3**	–
Derivative financial liabilities - Non-current				
Interest rate swaps	**3.4**	4.3	**–**	–
	3.4	4.3	**–**	–

Forward exchange contract

As at 30 June 2019, the Group had a forward exchange contract with notional amount of US$18.0m to sell United States dollars and receive Singapore dollars with maturity date on 8 August 2019 (2018: Nil).

15. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Interest rate swaps

For purpose of hedging the change in interest rates in respect of the variable-rate bank loan, the Group has entered into the following hedges:

- An interest rate swap with total nominal value of GBP138.0m (US$175.0m) (2018: GBP138.0m (US$181.7m)) which requires the Group to pay a fixed interest of 2.47% till 15 June 2019 and 2.43% till 15 December 2019 (2018: 2.47%) and allows it to receive a variable rate equal to LIBOR on the notional amount. The interest rate swap has a 3-year tenor commencing from 16 December 2016 and is valued based on the swap model valuation approach using present value calculations, which incorporate various inputs including the credit quality of counterparty, interest rate and forward rate curve. As at 30 June 2019, GBP110.0m (US$139.5m) of the total nominal value of the interest rate swap was designated for hedge accounting following the partial repayment of bank loan of GBP28.0m (US$36.8m) during the year (see Note 18).

- During the financial year, the Group made a partial repayment of the bank loan of GBP28.0m (US$36.8m) (2018: Nil) and concurrently entered into an interest rate swap with total nominal value of GBP28.0m (US$35.5m) (2018: Nil) to hedge the existing interest rate swap which may be exposed to interest rate volatility as a result of the loan repayment. The interest rate swap requires the Group to receive a fixed interest of 0.88% (2018: Nil) and to pay a variable rate equal to LIBOR on the notional amount. The interest rate swap has a 15 months tenor commencing from 16 September 2018 and is valued based on the swap model valuation approach using present value calculations, which incorporate various inputs including the credit quality of counterparty, interest rate and forward rate curve.

- As result of extension of loan maturity date from 16 December 2019 to September 2023, two forward interest rate swaps with total nominal value of GBP75.0m (US$95.1m) (2018: Nil) and matching tenors to repayment due dates of the last two tranches of the loan (i.e. tenors of 33 months and 45 months) were entered into by the Group. These forward interest rate swaps require the Group to pay a fixed interest and receive a variable rate equal to LIBOR on the notional amount. The interest rate swaps are valued using valuation technique with market observable inputs. The valuation technique is swap model, using present value calculations, which incorporate various inputs including the credit quality of counterparty, interest rate and forward rate curve.

The Group's exposure to credit, liquidity, interest rate and foreign currency risks and fair value information related to derivative financial instruments are disclosed in Note 24.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 US$M	**2018 US$M**	**2019 US$M**	**2018 US$M**
Bank balances	**44.5**	37.4	**–**	–
Short-term deposits	**50.2**	68.0	**38.3**	6.5
Cash in hand	*****	*	**–**	–
Restricted cash[#]	**0.4**	–	**–**	–
Cash and cash equivalents in the statement of financial position and cash flows	**95.1**	105.4	**38.3**	6.5

[#] Restricted cash relate to rent deposit monies held on behalf of the tenants under certain lease arrangements in segregated bank accounts and are not available for use.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2019 US$M	**2018 US$M**	**2019 US$M**	**2018 US$M**
United States Dollars	**25.2**	20.3	**9.1**	6.5
Singapore Dollars	**0.2**	0.8	**–**	–
Pound Sterling	**68.4**	80.6	**29.2**	–
Australian Dollars	**0.7**	3.5	**–**	–
New Zealand Dollars	**0.5**	0.1	**–**	–
Fiji Dollars	**0.1**	0.1	**–**	–
Malaysian Ringgit	**–**	*	**–**	–
	95.1	105.4	**38.3**	6.5

* Amount less than US$0.1m

17. ASSET HELD FOR SALE

Asset held for sale is stated at the lower of cost and fair value less costs to sell as follows:

Group	**2019 US$M**	**2018 US$M**
Intangible asset – casino licence	**–**	31.7

On 29 March 2018, the Group ceased its gaming operations and was committed to plan to dispose the casino license within 12 months. Accordingly, the casino licence of the gaming segment was presented as asset held for sale.

The asset held for sale was disposed during the year ended 30 June 2019 and the gain on disposal was recognised within 'gain on sale of discontinued operation' (see Note 7).

18. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to liquidity, interest rate and foreign currency risks, refer to Note 24.

Group	2019 US$M	2018 US$M
NON-CURRENT LIABILITIES		
Bank loan (unsecured)	**137.8**	180.8
Mortgage debenture stock (secured)	**71.9**	75.0
	209.7	255.8

Terms and conditions of outstanding loans and borrowings are as follows:

				2019		2018	
Group	Currency	Nominal %	Year of maturity	Face value US$M	Carrying amount US$M	Face value US$M	Carrying amount US$M
Bank Loan (unsecured)	**GBP**	**1.15 + 3 month LIBOR**	**2023**	**139.5**	**137.8**	181.7	180.8
Mortgage debenture stock (secured)	**GBP**	**7.88%**	**2022**	**70.0**	**71.9**	72.7	75.0
Total interest-bearing liabilities				**209.5**	**209.7**	254.4	255.8

As at 30 June 2019, the mortgage debenture stock is secured by one hotel (2018: one hotel) owned by the Group with carrying amount of US$115.8m (2018: US$116.7m) (see Note 9).

Terms and debt repayment schedule

Group	Total US$M	Under 1 year US$M	1 - 2 years US$M	2 - 5 years US$M
2019				
Bank loan:				
- Pound Sterling	**137.8**	**–**	**19.0**	**118.8**
Mortgage debenture stock:				
- Pound Sterling	**71.9**	**–**	**–**	**71.9**
	209.7	**–**	**19.0**	**190.7**
2018				
Bank loan:				
- Pound Sterling	180.8	–	180.8	–
Mortgage debenture stock:				
- Pound Sterling	75.0	–	–	75.0
	255.8	–	180.8	75.0

18. LOANS AND BORROWINGS *(Continued)*

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative financial liabilities	
Group	**Loans and borrowings US$M**	**Interest payables (Note 21) US$M**	**Interest rate swaps used for hedging - liabilities (Note 15) US$M**	**Total US$M**
Balance as at 1 July 2018	**255.8**	**0.4**	**4.3**	**260.5**
Changes from financing cash flows:				
Repayment of loans and borrowings	**(36.8)**	**–**	**–**	**(36.8)**
Interest paid	**–**	**(11.3)**	**–**	**(11.3)**
Upfront fees paid	**(1.6)**	**–**	**–**	**(1.6)**
Other finance costs paid	**–**	**(0.1)**	**–**	**(0.1)**
Total changes from financing cash flows	**(38.4)**	**(11.4)**	**–**	**(49.8)**
Change in fair value	**–**	**–**	**(0.8)**	**(0.8)**
Other changes:				
Interest expenses	**–**	**11.3**	**–**	**11.3**
Reversal of prepaid commitment fees	**1.0**	**–**	**–**	**1.0**
Reversal of debenture fair value	**(0.5)**	**–**	**–**	**(0.5)**
Effect of changes in foreign exchange rates	**(8.2)**	**–**	**(0.1)**	**(8.3)**
Total other changes	**(7.7)**	**11.3**	**(0.1)**	**3.5**
Balance as at 30 June 2019	**209.7**	**0.3**	**3.4**	**213.4**
Balance as at 1 July 2017	258.2	0.6	8.1	266.9
Changes from financing cash flows:				
Interest paid	–	(13.5)	–	(13.5)
Total changes from financing cash flows	–	(13.5)	–	(13.5)
Change in fair value	–	–	(4.0)	(4.0)
Other changes:				
Interest expenses	–	13.3	–	13.3
Reversal of prepaid commitment fees	0.7	–	–	0.7
Reversal of debenture fair value	(0.5)	–	–	(0.5)
Repayment of bank overdraft	(6.1)	–	–	(6.1)
Effect of changes in foreign exchange rates	3.5	–	0.2	3.7
Total other changes	(2.4)	13.3	0.2	11.1
Balance as at 30 June 2018	255.8	0.4	4.3	260.5

19. DEFERRED TAX LIABILITIES

Movement in deferred tax liabilities/(assets) during the year are as follows:

Group	At 1 July 2018 US$M	(Credited)/ Charged to income statement (Notes 6 and 7) US$M	(Credited)/ Charged to other comprehensive income US$M	Effect of movement in exchange rates US$M	At 30 June 2019 US$M
2019					
Hotels, property and equipment	**10.8**	**(2.5)**	**–**	**(0.3)**	**8.0**
Tax losses	**(0.5)**	*****	**–**	*****	**(0.5)**
Loans and borrowings	**(0.4)**	**0.1**	**–**	*****	**(0.3)**
Employee benefits	**1.9**	*****	**(0.7)**	**(0.1)**	**1.1**
Casino brand and licence	**1.7**	**(1.6)#**	**–**	**(0.1)**	**–**
Derivative financial instruments	**(0.7)**	**–**	**0.2**	*****	**(0.5)**
Other items	**5.3**	**1.0**	**–**	**(0.2)**	**6.1**
	18.1	**(3.0)**	**(0.5)**	**(0.7)**	**13.9**
2018					
Hotels, property and equipment	12.4	(1.8)	–	0.2	10.8
Tax losses	(1.2)	0.8	–	(0.1)	(0.5)
Loans and borrowings	(0.5)	0.1	–	*	(0.4)
Employee benefits	0.1	0.7	1.2	(0.1)	1.9
Casino brand and licence	1.8	(0.1)	–	*	1.7
Derivative financial instruments	(1.4)	–	0.7	*	(0.7)
Other items	–	5.4	–	(0.1)	5.3
	11.2	5.1	1.9	(0.1)	18.1

Relating to the gaming operation and recognised recognised within 'gain on sale of discontinued operation' (see Note 7)

* Amount less than US$0.1m

Unrecognised deferred tax assets

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has not recognised any deferred tax assets in respect of the following items because it is not probable that future tax profit will be available in certain jurisdictions against which the Group can utilise the benefits therefrom:

(i) Deductible temporary differences

The Group has deductible temporary differences of US$81.8m (2018: US$68.8m) at the balance sheet date which can be carried forward and used to offset against future taxable income. These deductible temporary differences do not expire under the current tax legislation.

(ii) Unrecognised tax losses

As at 30 June 2019, the Group has unrecognised tax losses of US$0.5m (2018: US$508.3m) available for offset against future taxable income. Tax losses which do not expire under current tax legislation, are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. During the year, the Group undertook a review of the nature and amount of unrecognised tax losses in New Zealand which would potentially qualify as tax losses for future utilisation as future tax benefits. Based on the advice from independent tax advisors, there was insufficient certainty as to whether the unrecognised tax losses previously carried forward by the New Zealand entity would qualify for future utilisation. Accordingly, the Group revised its estimated unrecognised tax losses.

20. PROVISIONS

Group	2019 US$M	2018 US$M
Balance at 1 July	**0.2**	0.3
Provisions made during the year (net)	**5.3**	–
Provisions utilised during the year	**–**	–
Effect of movements in exchange rates	*****	(0.1)
Balance at 30 June	**5.5**	0.2

* Amount less than US$0.1m

Provision for legal claim

The Hawaii Second Circuit Court issued a judgment, which became enforceable on 2 July 2019, to confirm an arbitration award requiring certain actions to be taken in respect of a property on the island of Molokai in Hawaii owned by the Group.

The arbitration was commenced by The West Molokai Resort Association of Apartment Owners ("**AOAO**"), in relation to a Cross Easement Declaration dated 2 April 1976 as amended by the First Amendment dated 1 May 1996 (collectively "**CED**").

In 2001, the Group acquired various properties on Molokai. Among such properties is a parcel of land ("**Hotel Lot**") with a hotel that was no longer in operation, and which is subject to the CED. The Hotel Lot is owned by Kaluakoi Poolside, LLC ("**KPL**"), a Hawaii subsidiary of the Company.

The land adjacent to the Hotel Lot ("**Condo Lot**") was developed as West Molokai Resort Condominium. The condominium units on the Condo Lot are owned by individual owners. The AOAO represents the owners of the condominium units. Pursuant to the CED, residents of the Condo Lot have the right to use designated areas of the Hotel Lot, excluding the buildings; and the Hotel Lot owner is required to maintain such designated areas.

The AOAO claimed that KPL failed to maintain such designated areas. The arbitrator found in favour of the AOAO. The Group has accrued for legal and other related costs of US$0.4m and made a provision of US$4.5m, being the estimated costs required to satisfy the judgment.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 US$M	**2018 US$M**	**2019 US$M**	**2018 US$M**
Trade payables	**5.0**	16.1	**–**	–
Management fees payable to a related party	**1.6**	2.6	**–**	–
Interest payable	**0.3**	0.4	**–**	–
Deposits received	**7.9**	6.9	**–**	–
Accrued rental	**9.7**	10.0	**–**	–
Accrued expenses	**8.3**	10.5	**0.8**	1.0
Other payables[#]	**25.7**	23.1	*****	*
	58.5	69.6	**0.8**	1.0

* Amount less than US$0.1m

[#] Includes rent deposit monies held on behalf of the tenants under certain lease arrangements in segregated bank accounts and are not available for use (see Note 16).

The Group's exposure to foreign currency risk and liquidity risks are disclosed in Note 24.

Outstanding balances with the related party are unsecured and interest free.

22. SHARE CAPITAL AND RESERVES

	Ordinary shares	
	2019	**2018**
Share capital - authorised		
Number of shares of par value of US$0.20 each at beginning and end of the year	**5,000,000,000**	5,000,000,000

	Ordinary shares	
	2019	**2018**
Share capital - issued and fully paid		
Number of shares in issue at beginning and end of the year	**1,368,063,633**	1,368,063,633

Share capital

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Contributed surplus

Contributed surplus represents the excess of paid up share capital over the par value of the ordinary shares.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

22. SHARE CAPITAL AND RESERVES *(Continued)*

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income (2018: available-for-sale) financial assets until the investments are derecognised or impaired.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet to mature.

Capital reserve - share based payment

The capital reserve comprises the gain or loss recognised when an employee exercises the share options granted under ESOS.

Equity compensation reserve

The equity compensation reserve represents the cumulative value of services received from employees for the issue of shares under ESOS.

ESOS reserve

The ESOS reserve comprises the cost of the Company's shares acquired and held by the Trustee for the purpose of satisfying outstanding share options granted to eligible employees under ESOS. As at 30 June 2019, the number of shares of the Company held in the ESOS reserve amounted to 68.3 million (2018: 68.3 million).

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as profit attributable to equity holders of the Company divided by shareholders' equity and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Company's approach to capital management during the financial year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

23. EMPLOYEE SHARE OPTION SCHEME

(i) GL Limited Executives' Share Options Scheme ("**ESOS**")

ESOS was approved by the shareholders of the Company on 17 October 2008 and by the shareholders of Guoco Group Limited ("**GGL**") on 21 November 2008 ("**GGL Approval Date"**).

ESOS allows the grant of options over newly issued and/or existing shares of the Company to confirmed employees (including executive directors) of the Group ("**Employees**"). Non-Executive Directors of the Company, directors and employees of associated companies of the Company and directors and employees of GGL or the Company's controlling shareholders or their subsidiaries and associates are not eligible to participate in the ESOS.

23. EMPLOYEE SHARE OPTION SCHEME *(Continued)*

(i) GL Limited Executives' Share Options Scheme ("**ESOS**") *(Continued)*

The aim of ESOS is to:

(1) Align the long-term interests of Employees with those of the Company's shareholders and encourage Employees to assume greater responsibility for the performance of the businesses which they manage;

(2) Motivate Employees towards achieving strategic business objectives;

(3) Reward Employees with an equity stake in the success of the Group; and

(4) Make the Company's compensation package more competitive in order to attract, retain and motivate high-calibre executives.

The Company has established a Trust for ESOS which is administered by a Trustee. The Trustee is appointed by and may be removed by the Company. The Trustee manages the Trust in accordance with a Trust Deed.

Pursuant to its powers under the Trust Deed, the Trust acquires existing shares of the Company for the purpose of satisfying outstanding options granted to Employees. To enable the Trustee to purchase such shares, the Trustee may from time to time accept financial assistance from the Company on terms and conditions agreed between the Trustee and the Company.

The Trust will terminate on 16 October 2031 or on a date determined by the Company, whichever is earlier. Upon the termination of the Trust, the Trustee will dispose of any remaining ESOS reserve (i.e., any shares held under the Trust which are not applied in satisfaction of outstanding options granted to the Employees) in accordance with the instructions of the Company.

The Company's Remuneration Committee ("**RC**"), comprising directors of the Company who are not participants of ESOS, administers ESOS.

The aggregate of:

(a) the number of shares over which the RC may grant options under ESOS on any date ("**Date**"); and

(b) the number of shares transferred and to be transferred, and new shares issued and allotted and to be issued and allotted, pursuant to all options granted under ESOS

shall not exceed 15% of the issued share capital of the Company on the day preceding the Date,

provided that the aggregate of:

(i) the number of shares to be issued and allotted and over which the RC may grant options under ESOS; and

(ii) the number of shares which have been issued and allotted or which are to be issued and allotted to meet all options granted under the ESOS

((i) and (ii) hereinafter collectively referred to as "**New Shares**"), shall not exceed 10% of the issued share capital of the Company as at the GGL Approval Date.

23. EMPLOYEE SHARE OPTION SCHEME *(Continued)*

(i) GL Limited Executives' Share Options Scheme ("**ESOS**") *(Continued)*

As at the date of this report, the number of New Shares is 136,806,363 (2018: 136,806,363), which represents 10% of the issued share capital of the Company as at the GGL Approval Date.

The maximum entitlement of any Employee in respect of New Shares as a result of the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of the Company in issue as at the date of such grant.

The grant of an option to an Employee shall be accepted within 30 days from the date on which such option is granted accompanied by a payment of S$1 as consideration.

During the financial year ended 30 June 2019 ("**FY2019**"), 2,000,000 (2018: up to 37,250,000) share options were granted pursuant to the ESOS.

As at 30 June 2019, the total number of the Company's shares comprised in the options granted under ESOS was 26,250,000 (2018: 37,250,000).

Details of movements in the options granted under ESOS during the financial year are as follow:

	Weighted average exercise price 2019	**Number of options 2019**	**Weighted average exercise price 2018**	**Number of options 2018**
Outstanding at the beginning of the financial year	**S$0.747**	**37,250,000**	S$0.831	19,500,000
Options granted during the financial year	**S$0.741**	**2,000,000**	S$0.741	35,250,000
Options cancelled/lapsed during the financial year	**S$0.759**	**(13,000,000)**	S$0.827	(17,500,000)
Outstanding at the end of the financial year	**S$0.745**	**26,250,000**	S$0.747	37,250,000

The options outstanding at 30 June 2019 have an exercise price of S$0.741 (2018: range of S$0.741 – S$0.860) and a weighted average contractual life of 2.0 years (2018: 1.9 years).

Details of the options granted to employees under ESOS:

Participants	**Aggregate options granted since commencement of ESOS to end of financial year**	**Aggregate options expired/lapsed since commencement of ESOS to end of financial year**	**Aggregate options outstanding as at end of financial year**
Key management personnel	**48,050,000**	(35,300,000)	12,750,000
Other employees	**93,900,000**	(80,400,000)	13,500,000

23. EMPLOYEE SHARE OPTION SCHEME *(Continued)*

(i) GL Limited Executives' Share Options Scheme ("**ESOS**") *(Continued)*

Save as disclosed above, since the commencement of ESOS, no options have been granted under ESOS to any executive Director of the Company or of the controlling shareholders of the Company or their associates. Save as disclosed above, since the commencement of ESOS, there is no participant who has received 5% or more of the total number of options available under ESOS.

Since the commencement of ESOS, 37,250,000 options have been granted under ESOS at a discount and no options have been granted under ESOS to any parent group Employee.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility, dividend yield and risk-free rate are based on 5-year historical trends.

The fair value and assumptions are set out below:

Date of grant of options	**3 April 2018**	**21 September 2015**	**13 May 2013**
Fair value of share options and assumptions			
Fair value at measurement date	0.10 – 0.12	0.09 – 0.17	0.17 – 0.227
Share price at the date of grant	0.78	0.795	0.83
Exercise price	0.74	0.80	0.86
Expected volatility (%)	21.4	30.1	34.1
Expected option life (year)	2.2 – 4.2	1.3 – 6.3	3.6 – 8.6
Expected dividend yield (%)	2.73	2.75	2.41
Risk-free interest rate (%)	1.72	0.98	1.05

For options granted on 13 May 2013 and 21 September 2015, the exercise price is equal to the 5-day weighted average market price of the shares immediately prior to the respective date of grant for which there was trading in the shares.

For options granted on 3 April 2018, the exercise price is equal to the 5-day weighted average market price of the shares immediately prior to the date of grant for which there was trading in the shares, discounted by 5.7%.

The options granted on 21 September 2015 and 13 May 2013 under ESOS expired/lapsed as at 30 June 2019.

The options granted on 13 May 2013 and 21 September 2015 under ESOS are valid from 13 May 2013 and 21 September 2015 respectively, and will vest in two tranches:

- the first tranche of up to 20% - 35% will vest at the end of the financial year ended 30 June 2016 upon the achievement of the applicable performance targets; and
- the second tranche of up to 65% - 80% will vest within three months of the end of the financial year ended 30 June 2019 upon the achievement of the applicable performance targets.

23. EMPLOYEE SHARE OPTION SCHEME *(Continued)*

(i) GL Limited Executives' Share Options Scheme ("**ESOS**") *(Continued)*

Each tranche, once vested, is exercisable as follows:

- 40% of that tranche is exercisable within 6 months from vesting date;
- 40% of that tranche is exercisable from the commencement of the 13th month to the end of the 18th month from vesting date; and
- 20% of that tranche is exercisable from the commencement of the 25th month to the end of the 30th month from vesting date.

The options granted on 3 April 2018 are valid from 3 April 2018 and will vest upon the Board's decision.

Once vested, the option is exercisable as follows:

- 40% of that total vested option is exercisable up to 2 months from vesting date;
- 40% of that total vested option is exercisable within 2 months from the 1st anniversary of the vesting date; and
- 20% of that total vested option is exercisable within 2 months from the 2nd anniversary of the vesting date.

ESOS expired on 20 November 2018.

(ii) GL Limited Executives' Share Scheme 2018 ("**ESS**")

ESS was approved by the shareholders of the Company on 25 October 2018 and by the shareholders of GGL on 12 December 2018 ("**ESS Effective Date**").

Under ESS, options for newly issued and/or existing shares of the Company may be granted ("**Options**") or grants of shares of the Company may be awarded ("**Grants**") to eligible executives including directors and executives ("**Eligible Executives**") of the Group. The Group's non-executive directors, the Company's controlling shareholders and their associates, and the directors and employees of the Company's controlling shareholders, associated companies, holding company and such holding company's subsidiaries (excluding the Group) are not eligible to participate in ESS.

The purposes of ESS are as follows:

(1) to align the long-term interests of Eligible Executives with those of the shareholders of the Company and to encourage such Eligible Executives to assume greater responsibility for the performance of the businesses that they manage;

(2) to motivate Eligible Executives towards strategic business objectives;

(3) to reward Eligible Executives with an equity stake in the success of the Group; and

(4) to make the total compensation package more competitive in order to attract, retain and motivate high calibre executives.

23. EMPLOYEE SHARE OPTION SCHEME *(Continued)*

(ii) GL Limited Executives' Share Scheme 2018 ("**ESS**") *(Continued)*

The aggregate number of the Company's shares comprised in (a) exercised Options; (b) unexercised Options; (c) Option offers and Grant offers which are unexpired and pending acceptance by the Eligible Executives; (d) outstanding Grants; (e) completed Grants; and (f) exercised options, unexercised options, outstanding grants, completed grants and unexpired offers pending acceptances, under any other executive share schemes established by the Company which are still subsisting (collectively the "**Aggregate**"), shall not exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares) at the relevant time, provided that, for so long as the Company has a holding company listed on The Stock Exchange of Hong Kong Limited, (i) the Aggregate shall not exceed 10% of the issued and paid-up share capital of the Company (excluding treasury shares) at the relevant time and (ii) the total number of the Company's shares which may be issued upon the exercise of Options or vesting of Grants must not in aggregate exceed 10% of the issued and paid-up share capital of the Company as at the ESS Effective Date. As at the date of this report, the total number of the Company's shares available for issue under ESS is 136,806,363, which represents 10% of the issued share capital of the Company.

The maximum entitlement for each Eligible Executive in respect of the total number of the Company's shares to be issued upon the exercise of Options granted to him in any 12-month period must not exceed 1% of the total number of issued and paid-up the Company's shares. The number of the Company's shares to be issued upon the vesting of any Grant is not subject to the aforesaid limit.

An Option offer and/or Grant offer to an Eligible Executive must be accepted within 30 days from the date of offer accompanied by a payment of S$1 as consideration.

The RC may at its discretion determine the exercise price of the Options, provided that the exercise price so fixed shall be the 5-day weighted average market price of the Company's shares immediately preceding the date of offer ("**Market Price**") or, if discounted, shall not be at a discount of more than 20% to the Market Price. The exercise price shall in no event be less than the nominal value of the Company's share and, where the exercise price determined according to the Market Price or discounted Market Price is less than the nominal value of the Company's share, such exercise price shall be the nominal value.

The minimum period which must elapse before the exercise of any (i) Option granted at a discount to the Market Price shall be at least 2 years from the date of offer; and (ii) any other Option shall be at least 1 year from the date of offer.

ESS shall continue to be in force until 11 December 2028.

As at 30 June 2019, no option has been granted pursuant to ESS.

A Trust has been established by the Company pursuant to which the Trustee holds 68.3 million (2018: 68.3 million) shares of the Company in the ESOS reserve as at 30 June 2019, for the purpose of satisfying any outstanding options that may be exercised under ESS.

The Group recognised total expense of US$0.5m (2018: benefit of US$0.4m) related to equity settled employee share option transactions during the year.

24. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group has exposure to the following risks arising from financial instruments:

i. credit risk
ii. liquidity risk
iii. market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Group has a system of controls in place to identify and analyse the risks faced by the Group, to set appropriate risk limited and controls, and to monitor risks and adherence to limits. Risk management policies and guidelines are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk management framework

Derivative financial instruments may be used to reduce the exposure of underlying assets and liabilities to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

The Audit and Risk Management Committee ("**ARC**"), which reports to the Board, is charged with overseeing risk management practices and, in conjunction with the Internal Audit Department, seeks to identify areas of concern and implement plans to mitigate significant risks to the Company. The ARC regularly reviews, assesses and monitors various risk factors and also guides management in forming policies and processes to identify, evaluate and manage risks and to safeguard shareholders' interests and Company assets.

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's credit risks are primarily attributable to other investments, trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis.

The hotel business has its own credit policy to allow credit period of up to 60 days for certain of its customers. The Group monitors exposures to individual counterparty and country to manage concentration risk. The Group has no significant concentrations of credit risks and does not obtain any collateral from customers.

Bank deposits are placed with financial institutions which are regulated. Financial transactions are restricted to those with counterparties that meet appropriate credit criteria that are approved by the Group and are being reviewed on a regular basis.

The carrying amounts of financial assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

24. FINANCIAL INSTRUMENTS *(Continued)*

(A) Credit risk *(Continued)*

Impairment losses on financial assets recognised in profit or loss were as follows:

Group	2019 US$M	2018 US$M
Impairment loss on trade receivables	**0.7**	0.2

Company	Note	2019 US$M	2018 US$M
(Reversal of) / impairment loss on advances to subsidiaries	28	**(52.7)**	20.8

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance, these being spread across the various currencies and jurisdictions in which the Group operates.

The credit quality of trade receivables is assessed based on a credit policy established by the Audit and Risk Management Committee. The Group monitors customer credit risk by grouping trade receivables based on their characteristics. An analysis of the credit quality of trade receivables that were not impaired at the reporting date is as follows:

	2019		2018
Group	Not credit-impaired US$M	Credit-impaired US$M	US$M
Acceptable risk	**2.7**	**9.9**	16.5
Total gross carrying amount	**2.7**	**9.9**	16.5
Allowances for impairment loss	**–**	**(1.1)**	(0.6)
	2.7	**8.8**	15.9

Expected credit loss ("ECL")

The Group applied the simplified approach to measure expected credit loss, i.e., the lifetime expected loss allowance for its trade receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. The Group uses an allowance matrix to measure the ECLs of trade receivables. The expected loss rates are calculated based on historical credit losses, which are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

24. FINANCIAL INSTRUMENTS *(Continued)*

(A) Credit risk *(Continued)*

Expected credit loss ("ECL") *(Continued)*

On that basis, the loss allowances based on the ageing of trade receivables at the reporting date are as follows:

Group	Gross 2019 US$M	Allowances for impairment loss 2019 US$M	Gross 2018 US$M	Allowances for impairment loss 2018 US$M
Not past due nor impaired	**6.0**	*****	15.7	–
Past due 0 – 30 days	**3.3**	*****	0.2	–
Past due 31 – 180 days	**1.9**	**0.4**	0.4	0.4
Past due 181 – 365 days	**1.4**	**0.7**	–	–
More than one year	*****	*****	0.2	0.2
	12.6	**1.1**	16.5	0.6

* Amount less than US$0.1m

Based on historical default rates and adjusted forward-looking macroeconomic data, the Group believes that, apart from the above, no other impairment allowance is necessary. These receivables are mainly relating to customers that have a good record with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

The movement in allowances for impairment in respect of trade receivables during the year was as follows:

Group	Individual impairment US$M
At 1 July 2017 per IAS 39	0.4
Impairment loss recognised during the year (net)	0.2
At 30 June 2018 per IAS 39	0.6

24. FINANCIAL INSTRUMENTS *(Continued)*

(A) Credit risk *(Continued)*

Expected credit loss ("ECL") *(Continued)*

Group	Lifetime ECL US$M
At 1 July 2018 per IAS 39	**0.6**
Adjustment on initial application of IFRS 9	**–**
At 1 July 2018 per IFRS 9	**0.6**
Impairment loss recognised during the year (net)	**0.7**
Disposal of subsidiary	**(0.2)**
At 30 June 2019 per IFRS 9	**1.1**

The Group and the Company held cash and cash equivalents of US$95.1m (2018: US$105.4m) and US$38.3m (2018: US$6.5m), respectively. The cash and cash equivalents are mainly placed with banks which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

The Group and the Company enter into derivatives with reputable bank counterparties which have strong credit ratings by external rating agencies.

The Company held non-trade receivables from its subsidiaries of US$72.0m (2018: US$111.0m). These balances are lent to subsidiaries to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have insignificant credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is negligible.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered. In addition, the Group maintains banking facilities at a reasonable level to meet its overall debt position.

As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with short-term funding so as to achieve overall cost effectiveness.

As at 30 June 2019, the Group has unutilised credit facilities amounting to US$192.0m (2018: US$197.5m), of which US$38.0m (2018: US$65.8m) relates to committed credit facilities.

24. FINANCIAL INSTRUMENTS *(Continued)*

(B) Liquidity risk *(Continued)*

The following are the remaining contractual maturities at the reporting date of the Group's and the Company's financial liabilities. The amounts are based on gross and contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date which the Group and the Company can be required to pay:

		Contractual Undiscounted Cash Flow				
Group	**Carrying amount US$M**	**Total contractual undiscounted cash flow US$M**	**Within 1 year or on demand US$M**	**More than 1 year but less than 2 years US$M**	**More than 2 year but less than 5 years US$M**	**More than 5 years US$M**
2019						
Non-derivative financial liabilities						
Bank loan	**137.8**	**148.1**	**2.7**	**21.4**	**124.0**	**–**
Mortgage debenture stock	**71.9**	**86.8**	**5.5**	**5.5**	**75.8**	**–**
Trade and other payables*	**50.6**	**50.6**	**50.6**	**–**	**–**	**–**
	260.3	**285.5**	**58.8**	**26.9**	**199.8**	**–**
Derivative financial instruments						
Interest rate swaps used for hedging (net settled)	**3.4**	**3.4**	**1.7**	**0.6**	**1.1**	**–**
Forward exchange contract (gross-settled)	**(0.3)**					
- Outflow		**18.0**	**18.0**	**–**	**–**	**–**
- Inflow		**(18.0)**	**(18.0)**	**–**	**–**	**–**
	3.1	**3.4**	**1.7**	**0.6**	**1.1**	**–**
	263.4	**288.9**	**60.5**	**27.5**	**200.9**	**–**
2018						
Non-derivative financial liabilities						
Bank loan	180.8	186.5	3.2	183.3	–	–
Mortgage debenture stock	75.0	95.8	5.7	5.7	84.4	–
Trade and other payables*	62.7	62.7	62.7	–	–	–
	318.5	345.0	71.6	189.0	84.4	–
Derivative financial instruments						
Interest rate swap used for hedging (net settled)	4.3	5.0	3.3	1.7	–	–
	4.3	5.0	3.3	1.7	–	–
	322.8	350.0	74.9	190.7	84.4	–

* Excludes deposits received

24. FINANCIAL INSTRUMENTS *(Continued)*

(B) Liquidity risk *(Continued)*

Company	Carrying amount US$M	Contractual Undiscounted Cash Flow: Total contractual undiscounted cash flow US$M	Contractual Undiscounted Cash Flow: Within 1 year or on demand US$M
2019			
Non-derivative financial liabilities			
Trade and other payables	**0.8**	**0.8**	**0.8**
Derivative financial instruments			
Forward exchange contract (gross-settled)	**(0.3)**		
- Outflow		**18.0**	**18.0**
- Inflow		**(18.0)**	**(18.0)**
	0.5	**0.8**	**0.8**
2018			
Non-derivative financial liabilities			
Trade and other payables	1.0	1.0	1.0

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash outflows disclosed represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

As disclosed in Note 18, the Group has unsecured bank loan which contain debt covenant. A future breach of this covenant may require the Group to repay the loan earlier than indicated in the table above. The covenant is monitored on a regular basis and regularly reported to management to ensure compliance.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

24. FINANCIAL INSTRUMENTS *(Continued)*

(C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Interest rate risk

The Group's interest rate risk arises from treasury activities and borrowings. Interest rate risk is managed by the treasury department within approved limits. The Group also uses interest rate swaps and other derivatives to manage its interest rate exposure as appropriate. As at 30 June 2019, the Group has interest rate swaps classified as cash flow hedges with total notional contractual amounts of GBP185.0m (US$234.6m) (2018: GBP138.0m (US$181.7m)) which requires the Group to pay fixed interest rate range from 1.35% to 2.47% (2018: 2.47%) and allows it to receive a variable rate equal to LIBOR on the notional amounts (refer Note 15). Additionally, the Group has an interest rate swap which is not designated as a cash flow hedge with a notional contractual amounts of GBP28.0m (US$35.5m) (2018: Nil). It requires the Group to receive fixed interest rate range of 0.88% (2018: Nil) and allows it to pay a variable rate equal to LIBOR on the notional amounts (refer Note 15).

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's interest-earning financial assets and interest-bearing financial liabilities (including the effects of interest rate swaps) at the reporting date.

Group	2019 Effective interest rate	2019 Nominal amount US$M	2018 Effective interest rate	2018 Nominal amount US$M
Floating rate financial assets/(liabilities)				
Bank loan	**1.95%**	**(137.8)**	1.59%	(180.8)
Effect of interest rate swaps	**0.63%-0.91%**	**234.6**	0.30%-0.61%	181.7
		96.8		0.9
Fixed rate financial assets/(liabilities)				
Deposits with banks	**0.20%-1.70%**	**93.9**	0.06%-1.86%	104.2
Mortgage debenture stock	**7.88%**	**(71.9)**	7.88%	(75.0)
Effect of interest rate swaps	**0.88%-2.47%**	**(234.6)**	2.47%	(181.7)
		(212.6)		(152.5)
Total		**(115.8)**		(151.6)

24. FINANCIAL INSTRUMENTS *(Continued)*

(C) Market risk *(Continued)*

***Interest rate risk** (Continued)*

(ii) Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rate at the reporting date would not affect the profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

As at 30 June 2019, it is estimated that an increase/decrease of 50 (2018: 50) basis points in interest rates, with all other variables in particular foreign currency exchange rates, held constant, would decrease/increase the Group's profit or loss and total equity by approximately US$0.5m (2018: US$*m).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date.

* Amount less than US$0.1m

Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity			
Group	**1-6 months**	**6-12 months**	**More than one year but less than 2 years**	**More than 2 years by less than 5 years**
2019				
Interest rate risk				
Interest rate swaps				
Net exposure (in US$M)	**–**	**139.5**	**–**	**95.1**
Average fixed interest rate	**–**	**1.66%**	**–**	**1.38%**
2018				
Interest rate risk				
Interest rate swaps				
Net exposure (in US$M)	–	–	181.7	–
Average fixed interest rate	–	–	2.47%	–

24. FINANCIAL INSTRUMENTS *(Continued)*

(C) Market risk *(Continued)*

***Hedge accounting** (Continued)*

***Cash flow hedges** (Continued)*

The amounts at the reporting date relating to items designated as hedged items were as follows.

Group	Change in value used for calculating hedge ineffectiveness US$M	Cash flow hedge reserve US$M	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$M
30 June 2019			
Interest rate risk			
Variable-rate instrument – Bank loan	**0.3**	**(2.5)**	**–**
30 June 2018			
Interest rate risk			
Variable-rate instruments – Bank loan	–	(3.5)	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	2019				During the period - 2019				
Group	Nominal amount US$M	Carrying amount – assets US$M	Carrying amount – liabilities US$M	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI US$M	Hedge ineffective-ness recognised in profit or loss US$M	Line item in profit or loss that includes hedge ineffective-ness	Amount reclassified from hedging reserve to profit or loss US$M	Line item in profit or loss affected by the reclassifi-cation
Interest rate risk									
Interest rate swaps	**234.6**	**–**	**3.4**	**Derivative financial liabilities**	**0.7**	**0.3**	**Finance costs**	**–**	**–**

24. FINANCIAL INSTRUMENTS *(Continued)*

(C) Market risk *(Continued)*

***Hedge accounting** (Continued)*

***Cash flow hedges** (Continued)*

	2018				During the period - 2018				
Group	Nominal amount US$M	Carrying amount – assets US$M	Carrying amount – liabilities US$M	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI US$M	Hedge ineffective-ness recognised in profit or loss US$M	Line item in profit or loss that includes hedge ineffective-ness	Amount reclassified from hedging reserve to profit or loss US$M	Line item in profit or loss affected by the reclassifi-cation
Interest rate risk									
Interest rate swaps	181.7	–	4.3	Derivative financial liabilities	3.2	–	–	–	–

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Hedging reserve US$M
Balance at 1 July 2018	**(3.5)**
Cash flow hedges	
Change in fair value:	
Interest rate risk	**0.8**
Amount reclassified to profit or loss:	
Interest rate risk	**0.3**
Tax on movements on reserves during the year	**(0.2)**
Effect of movements in foreign exchange	**0.1**
Balance at 30 June 2019	**(2.5)**

	Hedging reserve US$M
Balance at 1 July 2017	(6.7)
Cash flow hedges	
Change in fair value:	
Interest rate risk	4.1
Amount reclassified to profit or loss:	
Interest rate risk	–
Tax on movements on reserves during the year	(0.7)
Effect of movements in foreign exchange	(0.2)
Balance at 30 June 2018	(3.5)

24. FINANCIAL INSTRUMENTS *(Continued)*

(D) Foreign currency risk

The Group operates mainly in Singapore, Australia, Fiji, Hawaii, New Zealand and the United Kingdom. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. Other than the respective functional currencies of the Group's subsidiaries, the foreign currencies which the Group has exposure to at the reporting date is the United States Dollar, Australian Dollar and Pound Sterling.

The Group maintains a natural hedge in relation to each investment, wherever possible, by borrowing in the currency of the country in which an investment is located. Foreign exchange exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level.

The Group also monitors any surplus cash held in currencies other than the functional currency of the respective companies and uses sensitivity analysis to measure the foreign exchange risk exposure. Where necessary, the Group uses forward exchange contracts to hedge and minimises net foreign exchange risk exposures. In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to foreign currency translation risk and which are held for long-term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

(i) Exposure to foreign currency risk

The Group's and Company's exposure to foreign currencies as at 30 June 2019 and 30 June 2018 are as follow:

Group	Note	United States Dollars $M	New Zealand Dollars $M	Australian Dollars $M	Singapore Dollars $M	Pound Sterling $M	Fiji Dollars $M	Malaysian Ringgit $M	Total $M
2019									
Other investments	12	**0.1**	**–**	**–**	**–**	**–**	**–**	**–**	**0.1**
Trade and other receivables[1]	14	**0.3**	**–**	**–**	**0.1**	**17.3**	**–**	**–**	**17.7**
Cash and cash equivalents	16	**25.2**	**0.5**	**0.7**	**0.2**	**68.4**	**0.1**	**–**	**95.1**
Trade and other payables[2]	21	**(2.6)**	**(0.1)**	**(0.8)**	**(0.6)**	**(46.5)**	**–**	**–**	**(50.6)**
Loans and borrowings	18	**–**	**–**	**–**	**–**	**(209.7)**	**–**	**–**	**(209.7)**
Derivative financial liabilities	15	**–**	**–**	**–**	**–**	**(3.4)**	**–**	**–**	**(3.4)**
Gross exposure arising from recognised assets/ (liabilities)		**23.0**	**0.4**	**(0.1)**	**(0.3)**	**(173.9)**	**0.1**	**–**	**(150.8)**
Forward exchange contracts at fair value through the income statement[3]	15	**(18.0)**	**–**	**–**	**18.3**	**–**	**–**	**–**	**0.3**
Add/less:									
Net financial assets/ (liabilities) denominated in the respective entities' functional currencies		**10.2**	**(0.4)**	**0.1**	**0.3**	**217.1**	**(0.1)**	**–**	**227.2**
Overall net exposure		**15.2**	**–**	**–**	**18.3**	**43.2**	**–**	**–**	**76.7**

[1] Excludes prepaid expenses

[2] Excludes deposits received

[3] The fair value of forward exchange contract at 30 June 2019 amount to US$0.3m (2018: Nil)

* Amount less than US$0.1m

24. FINANCIAL INSTRUMENTS *(Continued)*

(D) Foreign currency risk *(Continued)*

(i) Exposure to foreign currency risk (Continued)

Group	Note	United States Dollars $M	New Zealand Dollars $M	Australian Dollars $M	Singapore Dollars $M	Pound Sterling $M	Fiji Dollars $M	Malaysian Ringgit $M	Total $M
2018									
Other investments	12	0.2	–	–	–	–	–	–	0.2
Trade and other receivables[1]	14	0.3	–	–	0.1	19.8	–	–	20.2
Cash and cash equivalents	16	20.3	0.1	3.5	0.8	80.6	0.1	*	105.4
Trade and other payables[2]	21	(2.3)	(0.1)	(0.7)	(0.5)	(59.1)	*	–	(62.7)
Loans and borrowings	18	–	–	–	–	(255.8)	–	–	(255.8)
Derivative financial liabilities	15	–	–	–	–	(4.3)	–	–	(4.3)
Gross exposure arising from recognised assets/ (liabilities)		18.5	–	2.8	0.4	(218.8)	0.1	*	(197.0)
Forward exchange contracts at fair value through the income statement[3]	15	–	–	–	–	–	–	–	–
Add/less:									
Net financial assets/ (liabilities) denominated in the respective entities' functional currencies		(5.4)	–	(2.8)	(0.4)	228.9	(0.1)	*	220.2
Overall net exposure		13.1	–	–	–	10.1	–	–	23.2

[1] Excludes prepaid expenses
[2] Excludes deposits received
[3] The fair value of forward exchange contract at 30 June 2019 amount to US$0.3m (2018: Nil)
* Amount less than US$0.1m

24. FINANCIAL INSTRUMENTS *(Continued)*

(D) Foreign currency risk *(Continued)*

(i) Exposure to foreign currency risk (Continued)

Company	Note	United States Dollar US$M	Singapore Dollar US$M	Pound Sterling US$M	Total US$M
2019					
Trade and other receivables[1]	14	*	–	–	*
Advances to subsidiaries	27	**72.0**	–	–	**72.0**
Cash and cash equivalents	16	**9.1**	–	**29.2**	**38.3**
Trade and other payables	21	**(0.8)**	–	–	**(0.8)**
Gross exposure arising from recognised assets		**80.3**	–	**29.2**	**109.5**
Forward exchange contracts at fair value through the income statement[2]	15	**(18.0)**	**18.3**	–	**0.3**
Less: Net financial liabilities denominated in the Company's functional currency		**(62.3)**	–	–	**(62.3)**
Overall net exposure		**–**	**18.3**	**29.2**	**47.5**
2018					
Trade and other receivables[1]	14	*	–	–	*
Advances to subsidiaries	27	79.2		31.8	111.0
Cash and cash equivalents	16	6.5	–	–	6.5
Trade and other payables	21	(1.0)	–	–	(1.0)
Gross exposure arising from recognised assets		84.7	–	31.8	116.5
Forward exchange contracts at fair value through the income statement[3]	15	–	–	–	–
Less: Net financial liabilities denominated in the Company's functional currency		(84.7)	–	–	(84.7)
Overall net exposure		–	–	31.8	31.8

[1] Excludes prepaid expenses
[2] The fair value of forward exchange contract at 30 June 2019 amount to US$0.3m (2018: Nil)
* Amount less than US$0.1m

24. FINANCIAL INSTRUMENTS *(Continued)*

(D) Foreign currency risk *(Continued)*

(ii) Sensitivity analysis

A strengthening of the following foreign currencies against the major functional currencies of the Group entities at the reporting date would increase the profit before tax by the amounts shown below. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

			Group	Company
Geographical region	**Foreign currencies**	**Increase in foreign exchange rates**	**Increase in profit before tax US$M**	**Increase in profit before tax US$M**
2019				
United Kingdom	SGD	5.00%	**–**	**–**
Asia and United States of America	SGD	5.00%	**0.9**	**0.9**
	GBP	5.00%	**2.2**	**1.5**
	AUD	5.00%	**–**	**–**
	MYR	5.00%	**–**	**–**
	USD	5.00%	**0.8**	**–**
	NZD	5.00%	**–**	**–**
Australasia	FJD	5.00%	**–**	**–**
2018				
United Kingdom	SGD	5.00%	–	–
Asia and United States of America	SGD	5.00%	–	–
	GBP	5.00%	0.5	1.6
	AUD	5.00%	–	–
	MYR	5.00%	–	–
	USD	5.00%	0.7	–
	NZD	5.00%	–	–
Australasia	FJD	5.00%	–	–

A weakening of the above foreign currencies against the functional currencies would have an equal but opposite effect.

24. FINANCIAL INSTRUMENTS *(Continued)*

(E) Equity price risk

The Group is exposed to equity price changes arising from equity investments at FVOCI (2018: available-for-sale) classified as other investments (see Note 12).

The Group maintains a diversified investment portfolio, which comprises global and regional counters, listed and unlisted. Investments are chosen to enhance creation of capital value for trading purpose as well as for long-term potential growth.

As at 30 June 2019, it is estimated that an increase of 10% (2018: 10%) in the market value of the Group's equity securities at FVOCI (2018: available-for-sale), with all other variables held constant, would increase the Group's total equity by US$0.01m (2018: US$0.02m).

(F) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group and the Company's statement of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the statement of financial position.

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("**ISDA**") Master Netting Agreements. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

24. FINANCIAL INSTRUMENTS *(Continued)*

(F) Offsetting financial assets and financial liabilities *(Continued)*

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements:

Group	Note	Gross amounts of recognised financial assets/ (liabilities) US$M	Gross amounts of recognised financial assets/ (liabilities) offset in the statement of financial position US$M	Net amounts of financial assets/ (liabilities) presented in the statement of financial position US$M	Related amounts not offset in the statement of financial position US$M	Net amount US$M
2019						
Financial assets						
Forward exchange contract	15	**0.3**	**–**	**0.3**	**–**	**0.3**
Financial liabilities						
Interest rate swaps	15	**(3.4)**	**–**	**(3.4)**	**–**	**(3.4)**
2018						
Financial liabilities						
Interest rate swap	15	(4.3)	–	(4.3)	–	(4.3)

Company	Note	Gross amounts of recognised financial assets/ (liabilities) US$M	Gross amounts of recognised financial assets/ (liabilities) offset in the statement of financial position US$M	Net amounts of financial assets/ (liabilities) presented in the statement of financial position US$M	Related amounts not offset in the statement of financial position US$M	Net amount US$M
2019						
Financial assets						
Forward exchange contract	15	**0.3**	**–**	**0.3**	**–**	**0.3**

The gross amounts of financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position at fair value.

24. FINANCIAL INSTRUMENTS *(Continued)*

(G) Fair value estimation

Certain of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

(i) Derivative financial instruments

The fair values of the interest rate swaps and forward exchange contracts are based on the broker quotes. The quotes are derived using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

(ii) Mortgage debenture stock

Mortgage debenture stock is measured at fair value at initial recognition and annually thereafter for disclosure on each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market borrowing rate at the reporting date plus an adequate credit spread. The interest rate used to discount estimated cash flows at the reporting date is 1.95% (2018: 1.59%).

(iii) Other non-derivative financial assets and liabilities

The carrying amounts of non-derivative financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, advances to subsidiaries and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The carrying amounts of borrowings which reprice within three months are assumed to approximate their fair values because of the short period to maturity or repricing.

(H) Classification and fair value of financial instruments

Financial assets and financial liabilities classification and carrying amount:

Group	Note	Mandatorily at FVTPL US$M	Financial assets at amortised cost US$M	FVOCI – equity instruments US$M	Other financial liabilities US$M	Fair value - hedging instrument US$M	Total carrying amount US$M
2019							
Financial assets measured at fair value							
Other investments	12	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Derivative financial assets	15	**0.3**	**–**	**–**	**–**	**–**	**0.3**
Financial assets not measured at fair value							
Trade and other receivables[1]	14	**–**	**17.7**	**–**	**–**	**–**	**17.7**
Cash and cash equivalents	16	**–**	**95.1**	**–**	**–**	**–**	**95.1**
		0.3	**112.8**	**0.1**	**–**	**–**	**113.2**

[1] Excludes prepaid expenses

24. FINANCIAL INSTRUMENTS *(Continued)*

(H) Classification and fair value of financial instruments *(Continued)*

Group	Note	Mandatorily at FVTPL US$M	Financial assets at amortised cost US$M	FVOCI – equity instruments US$M	Other financial liabilities US$M	Fair value - hedging instrument US$M	Total carrying amount US$M
2019							
Financial liabilities measured at fair value							
Derivative financial liabilities	15	**–**	**–**	**–**	**–**	**3.4**	**3.4**
Financial liabilities not measured at fair value							
Bank loan	18	**–**	**–**	**–**	**137.8**	**–**	**137.8**
Mortgage debenture stock	18	**–**	**–**	**–**	**71.9**	**–**	**71.9**
Trade and other payables[2]	21	**–**	**–**	**–**	**50.6**	**–**	**50.6**
		–	**–**	**–**	**260.3**	**3.4**	**263.7**

Group	Note	Loans and receivables US$M	Available-for-sale US$M	Other financial liabilities US$M	Fair value - hedging instrument US$M	Total carrying amount US$M
2018						
Financial assets measured at fair value						
Other investments	12	–	0.2	–	–	0.2
Financial assets not measured at fair value						
Trade and other receivables[1]	14	20.2	–	–	–	20.2
Cash and cash equivalents	16	105.4	–	–	–	105.4
		125.6	0.2	–	–	125.8
Financial liabilities measured at fair value						
Derivative financial liability	15	–	–	–	4.3	4.3
Financial liabilities not measured at fair value						
Bank loan	18	–	–	180.8	–	180.8
Mortgage debenture stock	18	–	–	75.0	–	75.0
Trade and other payables[2]	21	–	–	62.7	–	62.7
		–	–	318.5	4.3	322.8

[1] Excludes prepaid expenses
[2] Excludes deposits received

24. FINANCIAL INSTRUMENTS *(Continued)*

(H) Classification and fair value of financial instruments *(Continued)*

Company	Note	Mandatorily at FVTPL US$M	Financial assets at amortised cost US$M	FVOCI – equity instruments US$M	Other financial liabilities US$M	Fair value - hedging instrument US$M	Total carrying amount US$M
2019							
Financial assets measured at fair value							
Derivative financial assets	15	**0.3**	**–**	**–**	**–**	**–**	**0.3**
Financial assets not measured at fair value							
Trade and other receivables[1]	14	**–**	*****	**–**	**–**	**–**	*****
Advances to subsidiaries	27	**–**	**72.0**	**–**	**–**	**–**	**72.0**
Cash and cash equivalents	16	**–**	**38.3**	**–**	**–**	**–**	**38.3**
		0.3	**110.3**	**–**	**–**	**–**	**110.6**
Financial liabilities not measured at fair value							
Trade and other payables	21	**–**	**–**	**–**	**0.8**	**–**	**0.8**

Company	Note	Loans and receivables US$M	Available-for-sale US$M	Other financial liabilities US$M	Fair value - hedging instrument US$M	Total carrying amount US$M
2018						
Financial assets not measured at fair value						
Trade and other receivables[1]	14	*	–	–	–	*
Advances to subsidiaries	27	111.0	–	–	–	111.0
Cash and cash equivalents	16	6.5	–	–	–	6.5
		117.5				117.5
Financial liabilities not measured at fair value						
Trade and other payables	21	–	–	1.0	–	1.0

[1] Excludes prepaid expenses
* Amount less than US$0.1m

24. FINANCIAL INSTRUMENTS *(Continued)*

(H) Classification and fair value of financial instruments *(Continued)*

The fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

Fair value of financial assets and liabilities

Group	Note	Level 1 US$M	Level 2 US$M	Level 3 US$M	Total US$M
2019					
Other investments	12	**–**	**–**	**0.1**	**0.1**
Derivative financial assets	15	**–**	**0.3**	**–**	**0.3**
		–	**0.3**	**0.1**	**0.4**
Bank loan	18	**–**	**(137.6)**	**–**	**(137.6)**
Mortgage debenture stock	18	**–**	**(82.2)**	**–**	**(82.2)**
Derivative financial liabilities	15	**–**	**(3.4)**	**–**	**(3.4)**
		–	**(223.2)**	**–**	**(223.2)**
2018					
Other investments	12	–	–	0.2	0.2
Bank loan	18	–	(179.8)	–	(179.8)
Mortgage debenture stock	18	–	(88.2)	–	(88.2)
Derivative financial liability	15	–	(4.3)	–	(4.3)
		–	(272.3)	–	(272.3)
Company					
2019					
Derivative financial assets	15	**–**	**0.3**	**–**	**0.3**

During the financial year, there was no movement between the various levels of fair value hierarchies (2018: Nil).

The following table shows a reconciliation from the beginning balances to the ending balances for other investments falling within level 3 of the fair value hierarchy:

Group	2019 US$M	2018 US$M
Opening balance	**0.2**	0.3
Unrealised losses recognised in OCI	**(0.1)**	(0.1)
Closing balance	**0.1**	0.2

25. COMMITMENTS

(A) Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019 US$M	2018 US$M
Within one year	**43.5**	63.6
Between one and five years	**172.4**	262.0
Over five years	**688.0**	1,012.8
	903.9	1,338.4

The Group leases a number of properties under operating leases. The leases typically run for periods of up to thirty years, with an option to renew the lease after expiry date. Regular lease payment reviews are required by majority of the lease agreements.

Total operating lease expense for the year is US$45.9m (2018: US$43.3m) and has been included in:

	2019 US$M	2018 US$M
Cost of sales	**44.1**	41.2
Administrative expenses	**1.8**	2.1
	45.9	43.3

20 (2018: 13) areas / units within the leased properties have been subleased by the Group. These leases including subleases have varying remaining terms. Sublease rentals are receivable over the sublease period as follows:

	2019 US$M	2018 US$M
Within one year	**2.7**	2.0
Between one and five years	**9.6**	7.2
Over five years	**39.3**	34.3
	51.6	43.5

Total operating lease income for the year is US$2.7m (2018: US$2.0m) and has been included in revenue from hotel operations.

(B) Commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements and investment commitment in a venture fund are as follows:

	2019 US$M	2018 US$M
Hotels, property and equipment	**14.8**	31.3
Other investments	**0.4**	0.4
	15.2	31.7

26. CONTINGENCY

During the year, a subsidiary in the United Kingdom ("**UK**") voluntarily disclosed a potential value-added tax ("**VAT**") issue to Her Majesty's Revenue & Custom (HMRC) in UK arising from certain discretionary service charge billed to customers. HRMC is currently investigating the matter and it remains uncertain if the subsidiary will be liable for any VAT, penalties and interests. Management estimated that the maximum VAT that may be payable in subsequent years to be US$1.0m.

27. RELATED PARTY TRANSACTIONS

The Group

During the financial year, one of the subsidiaries of the Group leased office space from a subsidiary of the intermediate holding company. Rental expense for the year ended 30 June 2019 amounts to US$0.2m (2018: US$0.2m).

In addition to the related party information disclosed elsewhere in the financial statements, fees paid under a Master Agreement for Services dated 2 July 2014 between GuoLine Group Management Co. Limited ("**GGMC**"), a company related to a Director and the controlling shareholder of the Group, GOMC Limited and GGL for the provision of corporate management services during the financial year by GGMC to various GGL subsidiaries, including members of the Group, amounted to US$1.8m (2018: US$3.4m) (Note 5).

The Company

The Company has advances to subsidiaries of US$72.0m (2018: US$111.0m). The advances are unsecured, interest free and repayable on demand. The administration fee paid to a subsidiary was US$1.2m (2018: US$1.2m).

No new loans were granted to the Trust for ESOS during the financial year. The loan balance as at 30 June 2019 was S$54.4m (US$40.2m) (2018: S$55.9m (US$41.0m)). No (2018: Nil) shares of the Company were acquired by the Trustee and added to the ESOS reserve during the financial year.

Except as disclosed above, there were no material contracts of the Company and its subsidiaries involving the interests of the Group Managing Director, any Director or any controlling shareholder subsisting as at 30 June 2019 or entered into since 30 June 2018 (2018: Nil).

28. SIGNIFICANT SUBSIDIARIES

Name of subsidiaries	Auditors	Country of incorporation	Ownership interest 2019	Ownership interest 2018
Subsidiaries held by:				
Company				
Ma Sing Investments Limited	*	British Virgin Islands	100%	100%
GLH Hotels Group Limited	KPMG United Kingdom	Bermuda	100%	100%
Clermont Leisure International Limited	*	Jersey	100%	100%
GL Management Pte Ltd	KPMG Singapore	Singapore	100%	100%
BIL (Far East Holdings) Limited	KPMG Hong Kong	Hong Kong	100%	100%
Group				
BIL Australia Pty Ltd	KPMG Australia	Australia	100%	100%
GLH Hotels Holdings Limited	KPMG United Kingdom	United Kingdom	100%	100%
Molokai Properties Limited	*	United States of America	100%	100%
GLH Hotels Limited	KPMG United Kingdom	United Kingdom	100%	100%
Clermont Leisure (UK) Limited	KPMG United Kingdom	United Kingdom	–	100%

* Not required to be audited by law in country of incorporation.

28. SIGNIFICANT SUBSIDIARIES *(Continued)*

The Company has established a Trust for ESOS and the Trust is administered by a Trustee. Pursuant to the trust deed for the Trust ("**Trust Deed**"), the Trust acquires issued shares of the Company for the purpose of satisfying outstanding options granted to eligible employees under ESOS. Subject to the determination that certain financial and performance targets are met by these employees, shares of the Company held under the Trust ("**ESOS reserve**") will be transferred to these employees upon exercise of their share options. The Company has control of the Trust as result of certain provisions in the Trust Deed (details of which are disclosed in Note 23 to the financial statements) and, accordingly, the Company has recognised the assets and liabilities of the Trust in its own financial statements.

The number of companies within the Group as at 30 June 2019 was 67 (2018: 70).

During the year, the Company waived certain advances to subsidiaries of US$55.6m (2018: US$323.6m) in aggregate, and accordingly, these amounts were recognised as capital contribution to the respective subsidiaries.

At the reporting date, the Company carried out a review of the carrying amounts of its investments in and advances to subsidiaries. As a result of this, an impairment loss of US$55.6m (2018: US$231.2m) was provided for investment in subsidiaries. Also, a reversal of impairment loss of US$52.7m (2018: impairment of US$20.8m) was recorded for advances to a subsidiary. Management estimated the recoverable amounts in the investments in a subsidiary based on fair value less cost to sell approach. Fair value less cost to sell at the reporting date has been determined based on the net asset value of the subsidiary at the reporting date as management is of the opinion that net asset value of the subsidiary approximates its fair value.

The list of subsidiaries held by the Group disposed during the year ended 30 June 2019 is as follows:

Name of subsidiaries	Auditors	Country of incorporation	Equity interest disposed (%)
Clermont Leisure (UK) Limited	KPMG United Kingdom	United Kingdom	100%
Clearflight Limited	KPMG United Kingdom	United Kingdom	100%
The Clermont Club Limited	KPMG United Kingdom	United Kingdom	100%

29. DIVIDENDS

Subject to shareholders' approval, the Board has proposed a first and final dividend of S$0.022 per share (2018: S$0.022 per share) for the financial year ended 30 June 2019, amounting to US$22.3m (2018: US$22.1m). The Company is not required to withhold any tax on payment of dividends to its shareholders. The dividend will be paid at the gross amount. Dividends received by shareholders may or may not be taxable in their hands depending on their tax profile and the jurisdiction they are in.

30. IMPACT OF BREXIT

On 23 June 2016, the UK electorate voted to discontinue its membership of the European Union ("**EU**") and now is scheduled to leave the EU by 31 October 2019. As Brexit is one of the most significant economic events for the UK, the Group's UK operations are exposed to the risk of adverse political or economic developments. Until further clarity is known regarding the terms in which the UK will exit, there is overall uncertainty on the impact for the Group. The risks may, to varying degrees, potentially impact the Group's revenue and profitability in terms of UK travel demand and supply chain. Any impact on the Group's profitability will in turn affect the recoverable amount of property, plant and equipment, recoverability of investment in subsidiaries and other areas that depends on forecasts. The Group has established a Brexit-risk mitigation plan, and contingency plans for the Group's supply chain to deal with the potential challenges pose post-Brexit have been established. There may be other potential risks that are not reasonably foreseeable at date of this report.

31. COMPARATIVE INFORMATION

During 2019, the Group reclassified certain salaries relating to its hotel operations from 'administrative expenses' to 'cost of sales' to more appropriately reflect its nature. Accordingly, salary expense for 2018 of US$48.6m was reclassified from 'administrative expenses' to 'cost of sales' in the consolidated income statement to conform to the presentation adopted in the current year's financial statements.

The reclassification did not have any effect on the consolidated statements of financial position, comprehensive income, changes in equity and cash flows.

32. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2018 and earlier application is permitted; however, the Group has not early applied the following new or amended standards and interpretations in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and its subsidiaries in future financial periods, the Management has assessed the transition options and the potential impact on its financial statements. The Group does not plan to adopt these standards early.

The following new IFRSs, interpretations and amendments to IFRSs are effective for annual periods beginning after 1 July 2019:

Applicable to financial statements for the financial year ending 30 June 2020

- IFRS 16 *Leases*;
- IFRIC 23 *Uncertainty over Income Tax Treatments*;
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to IAS 12); and*
- *Borrowing Costs Eligible for Capitalisation (Amendments to IAS 23).*

The Group has assessed the estimated impact that initial application of IFRS 16 will have on the financial statements. The Group's assessment of IFRS 16, which is expected to have a more significant impact on the Group, is as described below.

32. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED *(Continued)*

IFRS 16

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("**ROU**") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing lease accounting guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply IFRS 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply IFRS 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Group as lessee

The Group expects to measure lease liabilities by applying different discount rates to their portfolio of hotels and office leases. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 July 2019. However, the Group is still assessing the appropriate implementation approach for adopting IFRS 16. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

As at 1 July 2019, the Group expects an increase in ROU assets of US$707.0m and an increase in lease liabilities of US$707.0m.

The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

COMPANY STATEMENT OF **COMPREHENSIVE INCOME**

For the year ended 30 June 2019

	2019 US$M	2018 US$M
Dividend income from a subsidiary	**18.6**	16.5
Sundry income	**0.4**	0.6
Administration fees	**(1.2)**	(1.2)
Other expenses[#]	**(4.1)**	(252.7)
Operating profit / (loss)	**13.7**	(236.8)
Net foreign exchange gains / (loss)	**0.5**	(16.2)
Profit / (Loss) before tax	**14.2**	(253.0)
Income tax expense	**–**	–
Profit / (Loss) for the year	**14.2**	(253.0)
Other comprehensive income, net of tax	**–**	–
Total comprehensive income for the year	**14.2**	(253.0)

Comprising mainly impairment losses on investment in subsidiaries of US$55.6m (2018: US$231.2m) and reversal of impairment loss on advances to a subsidiary of US$52.7m (2018: impairment of US$20.8m) (see Note 28)

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

COMPANY STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2019

	Share capital US$M	Contributed surplus US$M	Capital reserve share based payment US$M	Equity compen-sation reserve US$M	ESOS reserve US$M	Retained earnings US$M	Total US$M
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**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year, net of tax	**–**	**–**	**–**	**–**	**–**	**14.2**	**14.2**
Transactions with owners, recorded directly in equity							
First and final dividend of 2.2 Singapore cents 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**
Balance at 1 July 2017	273.6	654.2	(1.6)	2.7	(46.2)	733.7	1,616.4
Loss for the year	–	–	–	–	–	(253.0)	(253.0)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year, net of tax	–	–	–	–	–	(253.0)	(253.0)
Transactions with owners, recorded directly in equity							
First and final dividend of 2.2 Singapore cents per share for the year ended 30 June 2017	–	–	–	–	–	(21.0)	(21.0)
Total transactions with owners	–	–	–	–	–	(21.0)	(21.0)
Balance at 30 June 2018	273.6	654.2	(1.6)	2.7	(46.2)	459.7	1,342.4

COMPANY STATEMENT OF **FINANCIAL POSITION**

As at 30 June 2019

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

	Note	2019 US$M	2018 US$M
ASSETS			
Investments in subsidiaries	28	**1,225.6**	1,225.6
TOTAL NON-CURRENT ASSETS		**1,225.6**	1,225.6
Trade and other receivables	14	**0.3**	0.3
Derivative financial assets	15	**0.3**	–
Advances to subsidiaries	27	**72.0**	111.0
Cash and cash equivalents	16	**38.3**	6.5
TOTAL CURRENT ASSETS		**110.9**	117.8
TOTAL ASSETS		**1,336.5**	1,343.4
LIABILITIES			
Trade and other payables	21	**0.8**	1.0
TOTAL CURRENT LIABILITIES		**0.8**	1.0
TOTAL LIABILITIES		**0.8**	1.0
NET ASSETS		**1,335.7**	1,342.4
SHARE CAPITAL AND RESERVES	22	**1,335.7**	1,342.4

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

On behalf of the Board of Directors

Tang Hong Cheong
Group Managing Director

Timothy Teo Lai Wah
Director

SHAREHOLDING
STATISTICS

As at 11 September 2019

Issued and fully paid-up capital	:	US$273,612,727
Number of issued and paid-up shares	:	1,368,063,633
Class of shares	:	Ordinary shares of US$0.20 each with equal voting rights

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 to 99	161	0.77	4,394	0.00
100 to 1,000	12,415	59.27	6,207,737	0.45
1,001 to 10,000	6,687	31.92	22,424,896	1.64
10,001 to 1,000,000	1,655	7.90	89,001,122	6.51
1,000,001 and above	30	0.14	1,250,425,484	91.40
TOTAL	20,948	100	1,368,063,633	100

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares	%
1	GuocoLeisure Assets Limited	944,941,034	69.07
2	UOB Kay Hian Pte Ltd	104,312,352	7.62
3	Citibank Nominees Singapore Pte Ltd	38,932,139	2.85
4	DBS Nominees Pte Ltd	34,353,596	2.51
5	CGS-CIMB Securities (Singapore) Pte Ltd	14,561,245	1.06
6	Raffles Nominees (Pte) Limited	13,075,273	0.96
7	United Overseas Bank Nominees (Private) Limited	11,436,867	0.84
8	Merrill Lynch (Singapore) Pte Ltd	10,628,093	0.78
9	Phillip Securities Pte Ltd	10,267,094	0.75
10	Maybank Kim Eng Securities Pte. Ltd.	10,224,000	0.75
11	OCBC Securities Private Limited	7,595,907	0.56
12	Haw Par Securities (Private) Limited	6,925,717	0.51
13	Lim & Tan Securities Pte Ltd	6,714,650	0.49
14	Hong Leong Finance Nominees Pte Ltd	6,346,800	0.46
15	Heng Siew Eng	5,503,600	0.40
16	Waterworth Pte Ltd	5,000,000	0.37
17	BPSS Nominees Singapore (Pte.) Ltd.	2,143,394	0.16
18	DBS Vickers Securities (Singapore) Pte Ltd	2,128,135	0.16
19	Prima Portfolio Pte Ltd	1,942,500	0.14
20	Teo Chiang Song	1,600,000	0.12
	TOTAL	1,238,632,396	90.56

SHAREHOLDING HELD BY THE PUBLIC

Based on information available to the Company as at 11 September 2019, approximately 29.46% of the issued shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

DIRECTORS' AND SUBSTANTIAL **SHAREHOLDERS' INTERESTS**

According to the Register of Directors' Shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or convertible securities of the Company except as follows:

	Ordinary shares of US$0.20 each					
	Direct interest No. of shares			Deemed interest No. of shares		
Directors	As at 1 July 18	As at 30 June 19	As at 21 July 19	As at 1 July 18	As at 30 June 19	As at 21 July 19
Kwek Leng Hai	–	300,000	300,000	–	–	–
Timothy Teo Lai Wah	500,000	500,000	500,000	–	–	–
Tang Hong Cheong	500,000	2,500,000	2,500,000	–	–	–

	Direct interest No. of options			Deemed interest No. of options		
Director	As at 1 July 18	As at 30 June 19	As at 21 July 19	As at 1 July 18	As at 30 June 19	As at 21 July 19
Tang Hong Cheong	60,000	–	–	–	–	–

The Directors' interests in the ordinary shares and convertible securities of the Company as at 21 July 2019 were the same as those as at 30 June 2019.

The Substantial Shareholders of the Company and their direct and deemed interests as per the Register of Substantial Shareholders as at 11 September 2019 are set out below:

	No. of shares			
Substantial Shareholders	Direct interest	%(1)	Deemed interest	%(1)
GuocoLeisure Assets Limited ("**GLAL**")	943,938,334	69.00	–	–
Guoco Group Limited	–	–	943,938,334(2)	69.00
GuoLine Overseas Limited ("**GOL**")	1,415,000	0.10	942,670,634(3)	68.91
GuoLine Capital Assets Limited	–	–	944,085,634(3)	69.01
Hong Leong Company (Malaysia) Berhad	–	–	944,884,134(3)	69.07
HL Holdings Sdn Bhd	–	–	944,884,134(3)	69.07
Hong Leong Investment Holdings Pte. Ltd.	–	–	958,263,125(3)	70.05
Quek Leng Chan	735,000	0.05	943,669,134(4)	68.98

Notes:

(1) Percentages are based on 1,368,063,633 shares (excluding treasury shares) as at 11 September 2019. Percentage figures have been rounded to 2 decimal places.

(2) The deemed interests arise from its interests in GLAL by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.

(3) The deemed interests arise from its interests in GLAL and companies in which it has an interest by virtue of Section 4 of the Securities and Futures Act Chapter 289 of Singapore.

(4) The deemed interests arise from Mr Quek Leng Chan's interests in GLAL, GOL and a company in which he has an interest by virtue of Section 4 of the Securities and Futures Act Chapter 289 Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kwek Leng Hai
Non-Independent
Non-Executive Chairman

Paul Brough
Independent
Non-Executive Director

Jennie Chua
Independent
Non-Executive Director

Timothy Teo Lai Wah
Independent
Non-Executive Director

Tang Hong Cheong
Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Timothy Teo Lai Wah, *Chairman*
Paul Brough
Jennie Chua

REMUNERATION COMMITTEE

Paul Brough, *Chairman*
Kwek Leng Hai
Jennie Chua

NOMINATING COMMITTEE

Paul Brough, *Chairman*
Kwek Leng Hai
Jennie Chua

COMPANY SECRETARY

Susan Lim

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(Appointed since financial year ended 30 June 2015)

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