LASSETERS INTERNATIONAL HOLDINGS LIMITED
(Company Registration No. 200402223M)

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. These figures have not been audited.

(AUD'000)	Group 1/7/2016 to 31/12/2016	Group 1/7/2015 to 31/12/2015	Increase/ (Decrease) %
Revenue	30,100	35,561	(15.4)
Consumables	(2,576)	(2,471)	4.2
Construction costs	(1,805)	(8,369)	(78.4)
Employee benefits expense	(11,846)	(11,046)	7.2
Depreciation expenses	(3,619)	(3,491)	3.7
Villa lease rental	(747)	(741)	0.8
Advertising and promotional expenses	(670)	(827)	(19.0)
Gaming tax	(1,304)	(1,297)	0.5
Other operating expenses	(5,240)	(5,545)	(5.5)
Total operating expenses	(27,807)	(33,787)	(17.7)
Profit from operations	**2,293**	**1,774**	29.3
Exceptional items:-			
- gain on disposal of a subsidiary	-	475	(100.0)
Finance costs	(2,222)	(2,691)	(17.4)
Share of losses of a jointly controlled entity	(2)	-	100.0
Profit/(Loss) before income tax from continuing operations	**69**	**(442)**	(>100.0)
Income tax	(431)	(215)	>100.0
Loss for the financial period from continuing operations	**(362)**	**(657)**	(44.9)
Profit for the financial period from discontinued operations	**85**	**323**	(73.7)
LOSS FOR THE FINANCIAL PERIOD	**(277)**	**(334)**	(17.1)
Other comprehensive income:			
Exchange differences on translating foreign operations	13	29	(55.2)
Other comprehensive income for the financial period, net of tax	13	29	(55.2)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	**(264)**	**(305)**	(13.4)
Loss for the financial period attributable to:			
Owners of the parent	(357)	(314)	13.7
Non-controlling interests	80	(20)	(>100.0)
	(277)	**(334)**	(17.1)
Total comprehensive income for the financial period attributable to:			
Owners of the parent	(344)	(285)	20.1
Non-controlling interests	80	(20)	(>100.0)
	(264)	**(305)**	(13.4)

Note:

1(a)(i) Loss before income tax is arrived at after charging/(crediting):

(AUD'000)	Continuing Operations		Discontinued Operations		Group		Increase/ (Decrease) %
	1/7/2016 to 31/12/2016	1/7/2015 to 31/12/2015	1/7/2016 to 31/12/2016	1/7/2015 to 31/12/2015	1/7/2016 to 31/12/2016	1/7/2015 to 31/12/2015	
Other income including interest income	(509)	(711)	(1)	(9)	(510)	(720)	(29.2)
Interest expense	2,222	2,691	2	2	2,224	2,693	(17.4)
Depreciation expenses	3,619	3,491	-	-	3,619	3,491	3.7
Write back of payables	-	-	(68)	(328)	(68)	(328)	(79.3)
Foreign exchange loss	141	134	-	2	141	136	3.7
Operating leases, exclude villa lease rental	243	214	-	-	243	214	13.6
Gain on disposal of a subsidiary	-	(475)	-	-	-	(475)	(100.0)

1(a)(ii) The results of the discontinued operations are as follows:

(AUD'000)	1/7/2016 to 31/12/2016	1/7/2015 to 31/12/2015
Revenue	1	9
Other income	18	-
Other operating expenses	-	(12)
Total operating expenses	18	(12)
Profit/(Loss) from operations	**19**	**(3)**
Write back of payables	68	328
Finance costs	(2)	(2)
Profit before income tax	**85**	**323**
Income tax	-	-
Profit for the financial period	**85**	**323**
Profit for the financial period attributable to:		
Owners of the Company	85	323
Non-controlling interests	-	-
	85	323

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

	Group		Company	
(AUD'000)	**31/12/2016**	**30/6/2016**	**31/12/2016**	**30/6/2016**
Non-current assets				
Property, plant and equipment	143,028	144,938	-	-
Intangible assets	1,604	1,604	-	-
Investment in subsidiaries	-	-	14,555	14,555
Investment in a jointly controlled entity	15	-	-	-
Membership right	38	38	38	38
	144,685	146,580	14,593	14,593
Current assets				
Inventories	2,863	4,882	-	-
Trade and other receivables	1,325	1,137	18,242	17,924
Current income tax recoverable	16	12	-	-
Cash and cash equivalents	3,199	4,469	108	314
	7,403	10,500	18,350	18,238
Less:				
Current liabilities				
Trade and other payables	9,253	11,747	1,042	299
Provision for employee entitlements	862	1,046	66	70
Current income tax payables	539	215	-	-
Bank borrowings – secured	4,064	4,827	-	-
Finance lease payables	1,173	1,184	-	-
	15,891	19,019	1,108	369
Net current (liabilities)/assets	**(8,488)**	**(8,519)**	**17,242**	**17,869**
Less:				
Non-current liabilities				
Trade and other payables	226	225	-	-
Provision for employee entitlements	603	325	-	-
Bank borrowings – secured	66,258	68,058	-	-
Finance lease payables	1,792	1,827	-	-
Deferred tax liabilities	15,815	15,859	2	2
	84,694	86,294	2	2
Net assets	**51,503**	**51,767**	**31,833**	**32,460**
Equity				
Share capital	57,554	57,554	57,554	57,554
Treasury shares	(426)	(426)	(426)	(426)
Foreign currency translation reserve	(3,415)	(3,428)	(1,717)	(1,717)
Revaluation reserve	46,535	46,535	-	-
Accumulated losses	(48,936)	(48,579)	(23,578)	(22,951)
Equity attributable to the owners of the parent	51,312	51,656	31,833	32,460
Non-controlling interests	191	111	-	-
Total equity	**51,503**	**51,767**	**31,833**	**32,460**

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

(AUD'000)	Group As at 31/12/2016 Secured	Group As at 31/12/2016 Unsecured	Group As at 30/6/2016 Secured	Group As at 30/6/2016 Unsecured
Finance lease payables				
Repayable within one year	1,173	-	1,184	-
Repayable after one year	1,792	-	1,827	-
Bank borrowings – secured				
Repayable within one year	4,064	-	4,827	-
Repayable after one year	66,258	-	68,058	-

Details of any collateral

The Group's borrowings are secured by (a) registered mortgages on the Group's freehold/ leasehold land and buildings (b) mortgage debenture on all the assets and uncalled capital of certain subsidiaries of the Group; and (c) interlocking guarantees between certain subsidiaries of the Group.

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

(AUD'000)	Group 1/7/2016 to 31/12/2016	Group 1/7/2015 to 31/12/2015
Cash flows from operating activities		
Profit/(Loss) before income tax from continuing operations	68	(442)
Profit/(Loss) before income tax from discontinued operations	85	323
	153	(119)
Adjustments for:		
Depreciation expenses	3,619	3,491
Gain on disposal of property, plant and equipment	(23)	-
Gain on disposal of a subsidiary	-	(475)
Property, plant and equipment written off	-	44
Write back of payables	(68)	(328)
Interest expense	2,224	2,693
Interest income	(4)	(10)
Operating cash flows before working capital changes	5,901	5,296
Working capital changes:		
Inventories	2,019	(217)
Trade and other receivables	(188)	(17)
Property development costs	-	6,589
Trade and other payables	(2,328)	(5,695)
Cash generated from operations	5,404	5,956
Interest received	4	10
Interest paid	(2,224)	(2,693)
Income tax paid	(154)	(55)
Net cash from operating activities	**3,030**	**3,218**
Cash flows from investing activities		
Proceeds from disposal of a subsidiary	-	475
Proceeds from disposal of assets classified as held for sales	-	3,000
Subscription of shares in a jointly controlled entity	(15)	
Proceeds from disposal of property, plant and equipment	23	-
Purchase of property, plant and equipment	(1,094)	(268)
Foreign currency translation adjustment	13	-
Net cash (used in)/from investing activities	**(1,073)**	**3,207**
Cash flows from financing activities		
Repayments of bank borrowings	(2,357)	(5,608)
Repayments of finance lease obligations	(676)	(605)
Net cash used in financing activities	**(3,033)**	**(6,213)**
Net (decrease)/increase in cash and cash equivalents	**(1,076)**	**212**
Cash and cash equivalents at beginning of financial period	**3,799**	**4,246**
Currency translation adjustment on cash and cash equivalents	**12**	**29**
Cash and cash equivalents at end of financial period *	**2,735**	**4,487**
* **Analysis of cash and cash equivalents**		
Cash and bank balances - continuing operations	3,199	576
Cash and bank balances - discontinued operations	-	4,540
Bank overdraft - continuing operations	(464)	(629)
	2,735	**4,487**

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

	Group							
(AUD'000)	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Accumulated Loss	Subtotal	Non-controlling interests	Total equity
Balance at 1 July 2015	57,554	(426)	(3,464)	46,535	(48,098)	52,101	(13)	52,088
Total comprehensive income for the financial year	-	-	36	-	(481)	(445)	124	(321)
Balance at 30 June 2016	57,554	(426)	(3,428)	46,535	(48,579)	51,656	111	51,767
Balance at 1 July 2016	57,554	(426)	(3,428)	46,535	(48,579)	51,656	111	51,767
Total comprehensive income for the financial period	-	-	13	-	(357)	(344)	80	(264)
Balance at 31 December 2016	57,554	(426)	(3,415)	46,535	(48,936)	51,312	191	51,503

	Company				
(AUD'000)	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated loss	Total equity
Balance at 1 July 2015	57,554	(426)	(1,717)	(22,235)	33,176
Total comprehensive income for the financial year	-	-	-	(716)	(716)
Balance at 30 June 2016	57,554	(426)	(1,717)	(22,951)	32,460
Balance at 1 July 2016	57,554	(426)	(1,717)	(22,951)	32,460
Total comprehensive income for the financial period	-	-	-	(627)	(627)
Balance at 31 December 2016	57,554	(426)	(1,717)	(23,578)	31,833

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

There was no change in the Company's share capital since the year ended 30 June 2016 and the Company has no outstanding convertibles as at 31 December 2016 (as at 30 June 2016: Nil). In addition, the number of treasury shares held by the Company as at 31 December 2016 is 3,548,000 (as at 30 June 2016: 3,548,000).

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

As at 31 December 2016, the total number of issued shares excluding treasury shares of the Company was 483,170,542 shares (30 June 2016: 483,170,542 shares excluding treasury shares).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2016.

2 Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 Engagements to Review Financial Statements), or an equivalent standard

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

The Group has adopted mostly the same accounting policies and methods of computation in these financial statements as those used in preparing the most recently audited financial statements for the financial year ended 30 June 2016.

In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards ("**FRS**"), which became effective beginning 1 July 2016, if applicable.

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

The adoption of the said revisions has no significant impact to these financial statements.

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

	Group	
	1/7/2016 to 31/12/2016	**1/7/2015 to 31/12/2015**
Loss attributable to shareholders for the financial year (AUD'000)		
- Before exceptional items	(357)	(789)
- After exceptional items	(357)	(314)
Weighted Average Number of ordinary shares	483,170,542	483,170,542
Earnings per ordinary shares (AUD cents)		
- Before Exceptional Items		
(i) Basic and fully diluted basis	(0.07)	(0.16)
- After Exceptional Items		
(ii) Basic and fully diluted basis	(0.07)	(0.06)

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	31/12/2016	**30/6/2016**	**31/12/2016**	**30/6/2016**
Net asset value per ordinary shares based on issued capital (excluding treasury shares) at the end of the financial year (AUD cents)	10.66	10.71	6.59	6.72

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable), seasonable or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit and Loss Statement

For the six month ended 31 December 2016 ("**HY2017**"), the Group's financial performance has improved marginally by AUD0.05 million, registering a net loss of AUD0.28 million against a net loss of AUD0.33 million for the corresponding period last year ("**HY2016**").

Profit from operations increased from AUD1.77 million in HY2016 to AUD2.29 million in this reporting period against a backdrop of a lower group revenue whilst Earnings before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") before exceptional items grew by AUD0.64 million to AUD5.91 million (HY2016: AUD5.27 million). The result achieved was encouraging as it portrayed the Group's continuous effort on its assets yield management and prudent cost control.

For the period under review, the Group registered total revenue of AUD30.10 million for HY2017 as compared to a total revenue of AUD35.56 million in HY2016. The decline in total revenue was mainly due to lower revenue recognition in the Group's property arm of AUD2.39 million in HY2017 (HY2016: AUD8.34 million). The Group's land-based hotel and casino operations in Alice Springs, Northern Territory ("**NT**") remained profitable and contributed 78.92% or AUD23.76 million (HY2016: 63.42% or AUD22.77 million) of the total revenue, with a revenue growth of 4.35% or AUD0.99 million during the period.

The Group's spa and wellness segment reported a decline of AUD0.46 million in revenue from AUD4.37 million in HY2016 to AUD3.91 million in HY2017.

Total operating expenses of the Group decreased to AUD27.81 million in HY2017 from AUD33.79 million in HY2016. The decline was mainly due to the lower recognition of the Group's property arm construction costs in this reporting period. Depreciation increased slightly by AUD0.13 million in HY2017.

Finance costs declined by 17.40% to AUD2.22 million in HY2017 from AUD2.69 million in HY2016. This was attributable to lower interest rates offered by financial institution as a result of improved performance of casino and wellness segment, coupled with management's continuous effort in managing and mitigating the interest rate fluctuation.

Income tax of the Group was purely attributable to the land-based hotel and casino operations. The Group continued with its prudent view by not recognising its deferred tax income on tax loss subsidiaries.

Balance Sheet Review

HY2017 saw the Group's total assets decline by AUD4.99 million to AUD152.09 million from AUD157.08 million as at 30 June 2016 whilst the net assets position of the Group declined to AUD51.50 million from AUD51.77 million. These were mainly due to the sale of the two (2) factory lots from the Group's property arm for the period under review.

Net current liabilities decreased to AUD8.47 million as at 31 December 2016 from AUD8.52 million as at 30 June 2016 due to the similar reasons mentioned above.

As disclosed in the previous announcements, the negative working capital recorded for the period under review was mainly due to the cash nature of the Group's core casino operating business, where capital expenditures were being partially funded by short-term payables.

Cash Flow Review

The Group's cash flow position has remained strong, generating a net positive cash inflow from operating activities of AUD3.03 million as compared to net cash flow inflow from operating activities of AUD3.22 million in HY2016.

Net cash flows used in financing activities decreased to AUD3.03 million (HY2016: AUD6.21 million). Cash and cash equivalents as at 31 December 2016 stand at AUD2.74 million.

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

Not applicable, as no forecast or prospect statement has been previously disclosed.

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

The Reserve Bank of Australia has forecasted a moderate 2.50% to 3.50% of Gross Domestic Products ("**GDP**") growth over the year to June 2017, creeping up to 4.00% over the year to December 2018; whilst the GDP growth of Australia's major trading partners overall is expected to modest. In view of these, the Group shall continue to operate cautiously and dedicate its resources to develop compelling strategies to fortify its portfolio and lay a prudent foundation to grow its core businesses.

The Group's land-based hotel and casino has strengthened its offerings through a franchise agreement with InterContinental Hotels Group ("**IHG**"); aiming to capitalise on IHG brand standing and loyalty program, to tap on IHG's widespread sales and marketing reservation team and to re-brand the Lasseters Hotel Alice Springs as Crowne Plaza Alice Springs Lasseters. As part of the franchise arrangement, the Group has committed to spend approximately AUD6.0 million to refurbish 139 rooms and refurbishment is scheduled to complete before December 2017. Plans are also in place to re-theme the eight (8)-year-old Juicy Rump into a family oriented casual outback restaurant with an adjoining kids play area. The reposition of the Group's rooms and food & beverages outlet augurs well in retaining the hotel and casino as the leading provider of entertainment in Alice Springs, NT.

Health and wellness tourism of Australia is expected to gain acceptance both nationally and internationally in the years ahead. The Group's spa and wellness business segment has witnessed a steady momentum and growth and has built an excellent and sustainable business model that places it ahead of competitors in the corporate wellness industry. Continuing efforts are tailored by engaging with the relevant media to create visibility and awareness of the wellness market to expand "The Golden Door" ("**TGD**") community. E-commerce platform was launched in last year and a number of online retail products have been introduced to create community building touch point. These are expected to spur positive growth to the segment.

To complement the Group's growing presence in both hospitality and property development industries in Malaysia, the Group had on 25 August 2016 entered into a joint venture agreement with Paramount Corporation Berhad to jointly develop, own and operate a hotel located in Glenmarie, Shah Alam, Malaysia. The proposed hotel is planned to have 230 keys and will be managed by international hotel chain, Accor, under the brand name of Ibis Styles. The joint venture is in line with the core business of the Group and will leverage on the Group's extensive experience in hospitality.

Global economic outlook is expected to remain uncertain in 2017; the Board will continue to closely monitor its business strategies cautiously and manage its risks to weather the current economic challenges.

11 Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial year reported on?

None.

(b) Corresponding period of the immediately preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared.

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

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative assurance confirmation on half year financial results pursuant to Rule 705(5) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual")

We, Dato' Jaya J B Tan (Executive Chairman) and Dato' Kamal Y P Tan (Director), being two directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the six months ended 31 December 2016 to be false or misleading in any material respect. A statement signed by us is on record.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured signed undertakings from all its Directors and relevant executive officers in the format as set out in Appendix 7H of the Listing Manual in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

DATO' JAYA J B TAN
Executive Chairman
13 February 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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