2020 ANNUAL REPORT

LASSETERS INTERNATIONAL HOLDINGS LIMITED (200402223M)

Lasseters INTERNATIONAL



Casino •
Hotel •
Convention Centre •
Spa and Wellness •
Property Development •



RESILIENT AGAINST STRONG HEADWINDS



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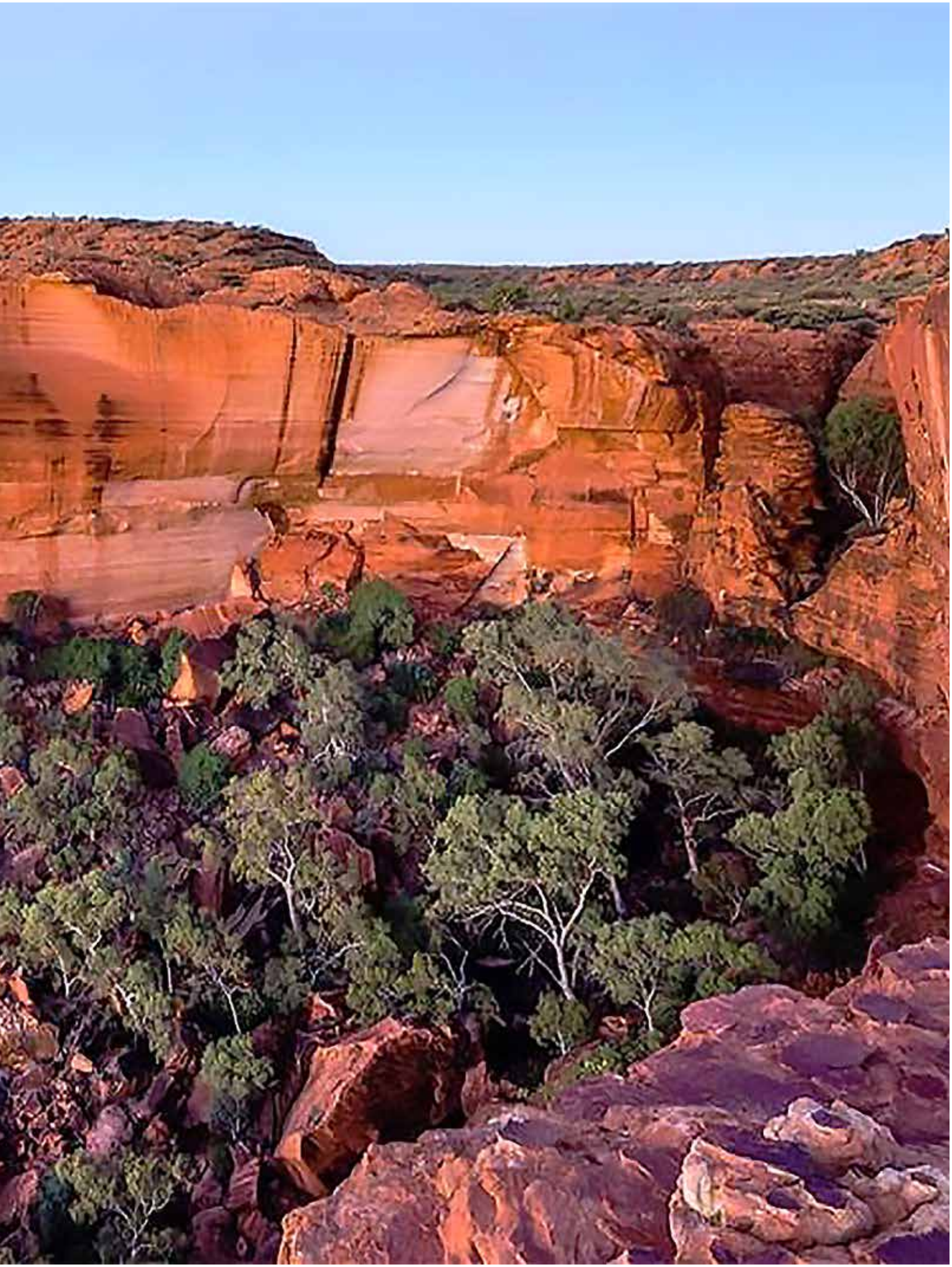
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CORPORATE VALUES

Our Mission

Lasseters aims to excel in its performance by enlarging its customer base and broadening its spectrum of businesses through casino development and expansion of the hotels and spa and wellness businesses. In so doing, it will evolve its business into an integrated resort destination with gaming still forming the core. Lasseters will venture into new markets, form strategic alliances and at the same time leverage on the synergies among its range of businesses.

Casino management and IT applications are envisaged to play a pivotal role in attracting players to Lasseters' gaming segment whilst the strong brand recognition for hospitality and spas, with each brand and product line targeting distinct market segment, is expected to enlarge the customer base of the hotels, convention centre and spa and wellness segments.

People

Lasseters' success in casino and hospitality industries is due in great part to its experienced, hardworking and dedicated staff. It is these professionals and their unrivalled wealth of know-how and expertise which help to give Lasseters the crucial edge over its competitors and provide its casino and guests with the high standards of service and hospitality that have come to be synonymous with Lasseters' business outfit.

Adherence to Government Regulations and Anti-Money Laundering ("AML")/Counter Terrorism Financing ("CTF")

Lasseters is fully aware of the effects money laundering can have on society and so it whole-heartedly respects its obligation to ensure the legality and security of all its financial transactions. The Company takes all necessary precautions and measures to avoid and prevent any involvement whatsoever with such perfidy in its operations by working closely with experts and national authorities, and by adhering strictly to all relevant legislation. Lasseters' vast experience, strict financial procedures, network of security and financial experts ensure the financial integrity of all its casino operations.

Lasseters Casino in Alice Springs complies with the Gaming Control Act of Northern Territory ("NT"), the NT Code of Practice for Responsible Gambling and is committed to full compliance with the AML/CTF Act and Rules issued by The Australian Transaction Reports and Analysis Centre (AUSTRAC).

Internal Controls and Risk Management

Lasseters operates in an environment which requires the Company to conform to strict guidelines laid down by NT specific and national legislation. Standard operating procedures for gaming are well documented in internal control manuals which are endorsed by the relevant authorities and Board members from time to time.

Responsible Gaming

Lasseters takes its responsibility to society with utmost seriousness and is committed to providing maximum entertainment with minimum risk to guests. Nonetheless, Lasseters understands the problems gambling can cause for some people. The Company actively promotes responsible gaming and their staff are fully trained to recognise and deal with such issues. Minors are restricted from access to the premises, credit gaming is prohibited and the opportunity to self-exclude from the venue is open to all patrons. Lasseters works closely with Local Community Groups and national authorities to implement appropriate measures and procedures to ensure strict adherence to the prevailing standards on harm minimisation.

Property Development

Lasseters is inspired by its customers and supporters; and strives to build and deliver great value properties to its buyers. Our aim is not just to provide satisfaction to our stakeholders, but also to build and grow our trade name and brand for the long run in the real estate market.

CORPORATE SOCIAL RESPONSIBILITY



Improving Lives and The Business

The Group is committed to operate in a socially responsible manner for all of our stakeholders, including our customers, our staff, our business partners and the community that we collaborate with. To achieve this, we are dedicated to provide products and services that enhances the experience of our customers, and believe in creating a healthy and fulfilling working environment for our employees, while doing so.

Our Staff

We have a dedicated and passionate team who strive to create opportunities to transform lives and to improve the business.

The Group recruits a diverse workforce and is committed to provide equal opportunity for employment, with a focus on fairness and performance. We actively promote a culture of honest and open communication, teamwork and innovation; encourage and support the sharing and development of ideas that contribute to achieving strategic business objectives.

We believe in rewarding and recognising our people to show our appreciation for their contributions to the success of the business, as well as an encouragement to continue achieving future goals and objectives.

The health and well-being of our employees is of the highest importance. In line with current challenges, we have implemented a COVID-19 safety compliance plan and strategy across the property. The plan encompasses COVID-19 staff training, information relating to the virus and how to limit the spread and an action plan for symptomatic staff and patrons.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to ensuring a safe, fair and healthy working environment. We have an active Workplace Health and Safety Committee who meet regularly to monitor safety policies and procedures, identify hazards and review all incidents and accidents. We also ensure we have adequate numbers of staff who are trained as First Aid Officers and Fire Wardens.

In line with our philosophy we encourage our employees to lead a healthy and active lifestyle, as these benefits create an active team environment with improved productivity and an enhanced experience for our patrons. All staff have access to our fitness classes, health club facilities and practitioners.



Our Community

Our community involves a wide range of groups including guests and their families, suppliers, business partners and charitable organisations. We believe that integrity in dealing with every community member is essential in forging successful and sustainable business relationships in the long term.

In Alice Springs, we have strong connections with several industry and community associations and accreditation programmes, which provide vital cooperative marketing and consumer brand recognition benefitting both Alice Springs Convention Centre and relevant associations or programmes. We are members and active supporters of the Chamber of Commerce Northern Territory ("NT"), Tourism Central Australia (TCA), Tourism Top End (TTE), Australian Tourism Accreditation Program and Meetings Events Australia (MEA). We believe that the exchange of ideas and active participation within economic and social forums is fundamental to our community's success. Our Chief Operating Officer of Lasseters Hotel Casino is the chairperson of the Central Australia Liquor Accord - a voluntary committee established with representatives from licensed venues around Alice Springs, who are working together to effect positive change to the safety and well-being of the Central Australian Community through the delivery of Responsible Service of Alcohol (RSA) policies and procedures.

The Group also plays an active role in supporting a number of charities and fundraising events. Through the sponsorship of prizes or incentives for these events, we help to raise much needed funds for their causes. Our marketing team also promotes awareness and support of these charitable organisations through our marketing materials. Over the last 12 months in Alice Springs, the Group has committed to sponsorships and recipients include but not limited to Chamber of Commerce NT, NT Cancer Council, EJ Whitten Foundation, Alice Springs Golf Club, Red CentreNATS and FABalice as well as significant discounts allocated annually to local schools for formal and year end events.



Our Environment

We believe that it is everyone's responsibility to contribute to sustainable and environmentally friendly practices that conserve our natural resources and protect the planet for future generations. We understand that even the smallest change can go towards making a big difference in our growing organisation.

We regularly review our environmental plan to ensure that it reflects changes in regulations and best practices. Voltage Power Optimisation units were installed in Alice Springs since 2016, resulting in a 15% reduction in energy consumption. In November 2019, two Power Factor Correction units were installed, which has further reduced our electricity usage by 4-5% in comparison to the previous year, potentially reducing our annual electricity usage the equivalent to 2019 metric tons of carbon dioxide. Since our partnership with InterContinental Hotels Group ("IHG") in year 2016, Crowne Plaza Alice Springs Lasseters ("CPASL") has participated in IHG Green Engage programme and achieved Level 1 accreditation in November 2017. CPASL was on track to achieve Level 2 accreditation but progress was delayed due to COVID-19. CPASL will work towards achieving Level 2 in the following financial year. The IHG Green Engage programme is an online environmental sustainability tool, comprising more than 200 specific recommendations or 'Green Solutions' designed to reduce hotels' environmental footprint. The programme also helps to set and track specific reduction goals for usage of energy, carbon, water and waste.

It is anticipated that by adopting simple, environmentally friendly initiatives, we will raise awareness amongst stakeholders and the wider community.

CORPORATE PROFILE

Lasseters International Holdings Limited ("Lasseters" and its group of companies collectively known as the "Group") was established in February 2004 and officially listed on SGX-Sesdaq (former Catalist Board) in May 2004.

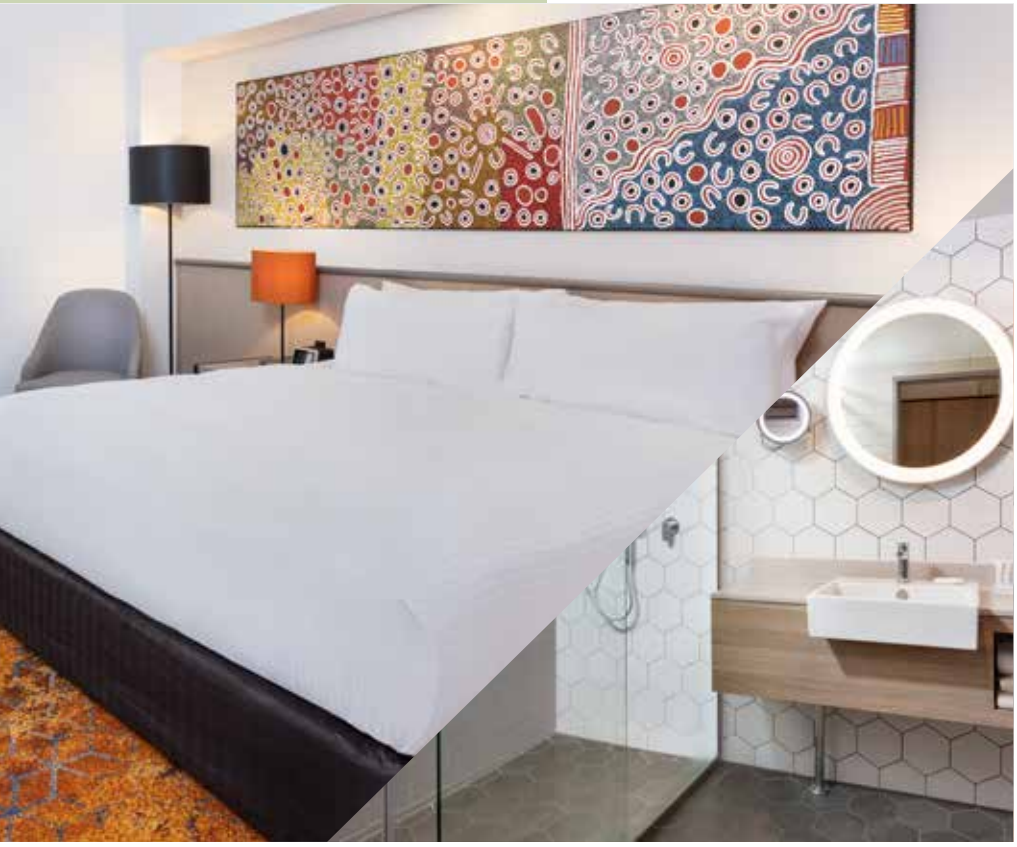
Lasseters originally started off as a land-based gaming group with complementary hospitality businesses in accommodation, food & beverage and convention centre services in Australia.

In 2005, Lasseters expanded into the spa and wellness markets with the acquisition of Cypress Lakes Group Limited ("CLGL") as an incentive to expand its business portfolio. It has since evolved into a leisure and hospitality player with comprehensive service offerings in both gaming and non-gaming businesses. Tapping into the Board's vast experience in real estate development, Lasseters ventured into property and hospitality development in Malaysia in 2013.

The Group's business model generates revenue by offering a wide range of leisure and entertainment experiences through its hotel, casino, food & beverage offerings, convention centre, health club, spa and wellness as well as property development. It operates in a jurisdiction where the gaming industry is well developed, and there are stringent controls in place to ensure all gaming operators conduct their business in a well regulated environment. Most importantly, Lasseters strictly adheres to Anti-Money Laundering and Counter Terrorism Financing guidelines.

In addition, the Group is committed to conducting its casino business in line with world-class standards of excellence, integrity and in conformity with AS/NZS ISO 9001:2000, an international standard which requires strict systems of monitoring and auditing. This standard along with the others are designed to increase customer confidence and satisfaction.

Lasseters operates its core land-based hotel and gaming businesses under the tradename Crowne Plaza Alice Springs Lasseters and Lasseters Casino, collectively known as Lasseters Hotel Casino ("LHC"). Its spa and wellness is managed by CLGL under the premium brand name of "The Golden Door".



AUSTRALIA

Land-based hotel and gaming establishment

Located in Alice Springs, the second largest town in the Northern Territory ("NT"), LHC is 500km north east of Australia's iconic Ayers Rock or "Uluru". The property is situated beneath the stunning MacDonnell Ranges, alongside the banks of the Todd River. Alice Springs is renowned for its arid environment consisting of several different deserts that offer a true Outback experience to both locals as well as tourists.

Originally constructed in 1981, this 4.5 star establishment now boasts 205 rooms and suites overseeing the nearby 18-hole Alice Springs Golf Club. An additional 70 hotel rooms and the Alice Springs Convention Centre ("Convention Centre") were built in 2002. The Convention Centre has been vital in catering to the Meetings, Incentives, Conferencing and Exhibitions market both

CORPORATE PROFILE

domestically and internationally, which has contributed significantly to Central Australia's economy.

In addition to celebrating our 30th birthday in 2011, we also saw an extensive period of planning come to fruition that year with the commencement of works on our AUD45.0 million re-development project. Integral to this project was the construction of the new AUD10.0 million Premium hotel wing that houses 63 rooms and 3 premium suites, which was launched in 2012.

In addition to the award winning 'Tali' restaurant which was opened in October 2013, other facilities completed that year included a new heated resort-style pool and spa, the Diamond Lounge (VIP gaming room), upgrades to back-of-house facilities such as a new laundry, and landscaping. August 2014 saw the completion of a new hotel reception to give guests separate hotel access from the casino, and a commercial Health Club and Day Spa that can host over 1,600 members. The Goat and Bucket restaurant was subsequently opened in 2015 along with the sports theatre Stadium 93 and a new horse racing/sports betting area (TAB) on the gaming floor.

In 2016, the hotel was re-branded as Crowne Plaza Alice Springs Lasseters through a franchise agreement with InterContinental Hotels Group and a full refurbishment costing AUD6.5 million was completed in 2018.

With four restaurants, a nightclub, four bars, poolside cafe, a sports theatre, casino, health club and day spa, a 205-key resort and the adjoining Convention Centre, LHC is positioned as the 'Centre of Entertainment' as no other property in Central Australia possesses our range of facilities in one single location. LHC ensures that our guests have the best of both worlds by providing them with modern and contemporary amenities in Australia's scenic and remote desert setting.

LHC is now synonymous with high quality and dependable services that customers can rely on for maximum satisfaction within the region. We were awarded several accolades including the Brolga Awards for deluxe accommodation for 7 consecutive years since 2013; the prestigious gold title in the 2013 & 2017 Qantas Australian Tourism Award for Best Deluxe Accommodation and the bronze title in 2019; the Brolga Awards for Best Business Event Venue in 2015 and 2018; and the silver title in the 2015 Qantas Australian Tourism Award for Best Business Event Venue. In 2015, LHC was awarded the AHA (NT) Best Marketed Hotel. Tali, our signature restaurant was awarded the 2014 Northern Territory AHA (NT) Restaurant of the Year. Other titles won over the years included AHA Aristocrat Technology Award for Excellence for Best Restaurant, Best Sports Entertainment and Best NT Keno Venue.

LHC has participated actively in assisting and partnering with Tourism NT, NT Convention Bureau, NT Government and Local Government to jointly promote Alice Springs as a unique destination. The company does so through annual sponsorship in the Finke Desert Race, Imparja Cup, Ingkerreke Mountain Bike Enduro, Alice Springs Cup and Lasseters Camel Cup, bi-annual events including Alice Springs Masters Games and Lasseters Classic Outback Trial and also supported the community both in kind and in cash donations.

LHC complies with the Gaming Control Act of NT; the NT Code of Practice for Responsible Gambling; Liquor Act; Code of Practice for Responsible Service of Alcohol; Privacy Act; Anti-Money Laundering and Counter Terrorism Financing Act; Workplace Health and Safety Act; Fair Work Act; and rules issued by The Australian Transaction Reports and Analysis Centre (AUSTRAC).

AUSTRALIA

Spa and Wellness

Cypress Lakes Group Limited ("CLGL") owns and operates the spa and wellness business in Queensland, Australia. The business is managed by The Golden Door Australia within CLGL, and are branded under the market leading banner "The Golden Door".

The Group has unlocked the value of the property in Hunter Valley via a disposal which was completed on 29 July 2019. During the financial year 2020, the Group still operates a spa and gym in Queensland under a long term lease. This property was surrendered on 18 September 2020 to the landlord on mutually agreed terms.

As part of the cost reduction strategy, CLGL was voluntarily delisted from the Australian Securities Exchange on 9 December 2009 and privatised on 15 February 2019. The company is now known as Cypress Lakes Group Pty Limited.

MALAYSIA

Property and Hospitality Development

The Group's maiden property development project in Malaysia involves the development of sixteen units of industrial factory lots on a piece of leasehold land measuring seven acres, undertaken by a subsidiary Merry Palms Sdn. Bhd. ("MPSB"). Construction started in financial year 2013 and the project has been successfully completed in June 2016.

On 25 August 2016, the Group ventured into hospitality in Malaysia via a joint venture with a prominent public listed company to jointly develop, own and operate a hotel in Malaysia. The project is undertaken through Super Ace Resources Sdn. Bhd. The proposed 229-key 4-star hotel is part of a planned 21.7 acres of integrated township, comprising blocks of serviced apartments, retails, Small Office, Home Office (SOHO) and the UOW Malaysia KDU University College, and is located in Glenmarie Shah Alam. The hotel will be managed by the international hotel chain, Accor under the brand name of "Mercure".

BUSINESS MODEL



CORE BUSINESS

Casino

Hotel

Convention Centre

Spa & Wellness

Property Development

Lasseters' business model offers and evolves a range of associated services, such as hotel, convention centre, spa and wellness, property development and a whole array of food & beverage options that revolve around its core gaming business.

These services in turn assist in generating gaming patronage and revenue for the Group. The service quality, integrity, responsibility and respect for tradition that are reflected in all our business services are also driving forces behind our success.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Jaya J B Tan
Executive Chairman

Dato' Kamal Y P Tan
Non-Executive Director

Tan San Chuan
Non-Executive Director

Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
Independent Director

Teo Chee Seng
Independent Director



COMPANY SECRETARIES

S Surenthiraraj @ S Suressh
Kok Mor Keat, ACIS

REGISTERED OFFICE

SGX Centre 2, #17-01
4 Shenton Way
Singapore 068807
Telephone: (65) 6361-9883
Facsimile: (65) 6538-0877

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-charge:
Mr William Ng Wee Liang
(Appointed since the financial year ended 30 June 2019)

PRINCIPAL BANKERS

National Australia Bank Limited
Level 10, 22 - 28 King William Street
Adelaide SA 5000, Australia

CIMB Bank Berhad
50 Raffles Place, #09-01 Singapore Land Tower
Singapore 048623

Malayan Banking Berhad
1st Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Affin Bank Berhad
14th Floor, Menara Affin
80 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

Entertainment

Lasseters Hotel Casino



Lasseters Hotel Casino houses an international standard casino fully furnished with table games and gaming machines complemented by a comprehensive range of theme food & beverages outlets, executive gym and health club and other well-equipped amenities.

BOARD OF DIRECTORS



DATO' JAYA J B TAN

Executive Chairman
Member of Nominating Committee

Dato' Jaya was appointed as a Director of the Company with effect from 26 February 2004 and assumed the current position of Executive Chairman on 1 September 2005. He graduated from the University of Arizona and is a Mechanical Engineer by training. He has extensive experience in forestry, property development, food retail operations, trading and financial services. He has served as Chairman of several companies quoted on the stock exchanges of Malaysia, United Kingdom, Singapore, Australia and India.

Currently, Dato' Jaya is the Chairman of Envictus International Holdings Limited, a company listed on the Singapore Stock Exchange ("SGX"). Dato' Jaya is the Vice Chairman of Park Hyatt Saigon, a 259-room 5-star hotel in Ho Chi Minh City, Vietnam and is also involved in gaming business in Papua New Guinea.

Dato' Jaya will retire as Director at the forthcoming Annual General Meeting ("AGM") and will offer himself for re-election. He is the brother of Dato' Kamal Y P Tan and uncle of Mr Tan San Chuan.



DATO' KAMAL Y P TAN

Non-Executive Director
Member of Audit, Remuneration and Nominating Committees

Dato' Kamal was appointed as a Director of the Company on 26 February 2004. He is an Economics graduate from the London School of Economics. He became an Executive Director from 3 April 2008 and was re-designated to Non-Executive Director on 31 December 2014.

Dato' Kamal has previously held board positions with companies listed on the stock exchanges in Malaysia, Singapore, Australia, United Kingdom and India.

Currently, Dato' Kamal is the Acting Group Chief Executive Officer of Envictus International Holdings Limited. He is also a Non-Executive Director of ES Ceramics Technology Bhd, a company which is listed on the Bursa Malaysia Securities Berhad.

Dato' Kamal is a Board member of Park Hyatt Saigon, a 259-room 5-star hotel in Ho Chi Minh City, Vietnam and is also involved in gaming business in Papua New Guinea.

Dato' Kamal was re-elected as Director at the AGM held in 2018. He is the brother of Dato' Jaya J B Tan and uncle of Mr Tan San Chuan.

BOARD OF DIRECTORS



TAN SAN CHUAN

Non-Executive Director

Mr Tan was appointed as a Director of the Company on 15 September 2005. He is an Accounting and Finance graduate from the London School of Economics and is currently a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants. Mr Tan was appointed as the Executive Director on 3 October 2007 and was re-designated to Non-Executive Director on 25 October 2018.

Prior to joining the Group, he was employed by KPMG and has gained experience in auditing. Mr Tan has also worked in a merchant bank in Malaysia in which he gained some experience in corporate finance through his involvement in mergers and acquisitions and corporate restructuring exercises.

Mr Tan is a Board member of Park Hyatt Saigon, a 259-room 5-star hotel in Ho Chi Minh City, Vietnam.

Mr Tan was re-elected as Director at the AGM held in 2019. He is the nephew of Dato' Jaya J B Tan and Dato' Kamal Y P Tan.



TAN SRI IR. KUAN PENG CHING @ KUAN PENG SOON

Independent Director
Chairman of Nominating Committee, Member of Remuneration and Audit Committees

Tan Sri Ir. Kuan was appointed as a Non-Executive Director of the Company on 27 February 2004 and was re-designated as Independent Director on 26 August 2010. He is a qualified Electrical Engineer graduated from Adelaide University, South Australia. He is registered with the Board of Engineers, Malaysia as a Professional Engineer and is also a member of Institution of Engineers, Malaysia.

Tan Sri Ir. Kuan is the Deputy Chairman of Star Media Group Bhd, which is listed on the Bursa Malaysia Securities Berhad.

Tan Sri Ir. Kuan will retire as Director at the forthcoming AGM and will offer himself for re-election.



TEO CHEE SENG

Independent Director
Chairman of Audit and Remuneration Committees, Member of Nominating Committee

Mr Teo Chee Seng was appointed as a Director of the Company on 26 February 2004. He holds a Bachelor of Laws (Hons) degree from the University of Singapore and is a lawyer in the Singapore private practice for more than 30 years.

Apart from the present directorship of the Company, Mr Teo is the Independent Director of Envictus International Holdings Limited and Soilbuild Construction Group Ltd, companies listed on the Singapore Stock Exchange, United Overseas Australia Ltd, which is listed on both Singapore and Australia stock exchanges and UOA Development Bhd, a company listed on the Bursa Malaysia.

Mr Teo was re-elected as Director at the AGM held in 2019.

KEY MANAGEMENT

DATUK PAUL WONG BAAN CHUN, J.P.

Chief Executive Officer
Lasseters International Holdings Limited

Datuk Paul Wong, J.P. joined the Company as the Chief Financial Officer upon its listing on 24 May 2004 and was promoted to the position of Chief Executive Officer on 1 November 2013. He is a Fellow of the Association of Chartered Certified Accountants since 1994 and his professional background revolves around finance, treasury and corporate work with an international practice.

Prior to joining the Group, Datuk Paul has held various key financial positions in public companies listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia), involved in investment holding, real estate and property development, hospitality stock broking, manufacturing and trading.

CRAIG JERVIS

Chief Operating Officer
Lasseters Hotel Casino

Mr Craig Jervis was appointed to the role in October 2014 after being with the company for 8 years in the non-gaming division, bringing over 20 years of hospitality experience. He brings a solid business development approach and has a strong understanding of Australian tourism industry and local Alice Springs market.

Mr Jervis holds B.A. Hospitality & Tourism Management, Advance Diploma in Hotel Management and Diploma of Adult Tertiary Teaching. His community and professional involvement includes sitting on the Board of The Australian Hotel Associations (NT), Australian Tourism Export Council (NT) committee member, member of the Alice Springs Major Business Group, Chairman of the Central Australia Liquor Accord and NT Representative to the National Accommodation Division of Australia Hotel Association.

Spa & Wellness

The Golden Door Australia



The Golden Door Australia,
Australia's leading health retreat and spa operator,
manages the Group's spa and wellness business in Queensland.

NOTES TO SHAREHOLDERS

Dear Fellow Shareholders,



Financial Review

Despite the adverse operating conditions caused by COVID-19 pandemic as we closed our financial year ended 30 June 2020 ("FY2020"), we have been able to navigate and withstand challenges against the current volatile conditions. I am pleased to share with you this year's annual report of the Company and its subsidiaries (the "Group").

Financial Review

In this reporting year ended 30 June 2020 ("FY2020"), the Group registered total revenue of AUD35.6 million as compared to AUD45.3 million for the previous financial year ("FY2019"). The decline was primarily due to a reduction of revenue from the Group's land-based hotel and casino operations in Alice Springs, Northern Territory ("NT").

The Group's hotel and casino continued to be the main revenue driver, contributing 98.1% or AUD34.9 million of total revenue, as compared to AUD44.5 million in FY2019. The decline in revenue was mainly a result of nationwide safety measures implemented by the government to contain the spread of the COVID-19 virus. Following the virus outbreak, directives were issued by the NT government to shut down various businesses in March 2020, including casino, licensed venues, restaurants, gyms and entertainment venues, which affected our property.

NOTES TO SHAREHOLDERS

For the reporting period, despite another consecutive year of 2% increase in gaming tax, the Group's total operating expenses declined by 14.3% to AUD38.0 million in FY2020, due to an active management strategy in containing cost to counter the COVID-19 hit. Consequently, the Group posted a net loss of AUD6.8 million in FY2020 as compared to a net loss of AUD5.4 million in FY2019. The variance was due to a decrease in the Group's revenue towards the final quarter of FY2020 as a result of business closure which traditionally is the peak period for the Group Business. In addition, an AUD0.9 million impairment of lease assets following the adoption of the new accounting standard, SFRS (I) 16 this year further impacted FY2020 results.

On a like for like basis, if there is no business closure and impairment of lease assets, the net loss in FY2020 would be better off than last year.

Business Outlook and Plans

Lasseters Hotel Casino ("LHC"), our iconic integrated resort, continues to be the key revenue and earnings contributor for the Group. The tourism and hospitality industry was one of the most heavily affected sectors during COVID-19 pandemic following the implementation of safety measure restrictions. Nevertheless, the Group's business model is one that demonstrates resilience and the ability to bear the harsh headwinds with the breadth of operations that we possess.

To counter the aftereffects of the pandemic, Tourism NT has developed strategic plans, such as The Tourism Resilience Plan and the Territory Tourism Voucher Scheme to support and guide the industry into a new normal. LHC has aptly registered for packages available under the AUD15.2 million Territory Tourism Voucher Scheme which is intended to generate over AUD30.0 million in economic stimulus. This has resulted in an uplift in bookings, albeit a slow recovery in the hotel segment.

On the gaming front, notwithstanding travel limitations, the Group's gaming sector has performed well since the re-opening in June this year as a result of the strong support from the local community. The results for this sector are stronger than they were in comparison to the corresponding period last year that was prior to the virus outbreak.

Our spa and wellness business have not been spared from the COVID-19 aftermath. In view of the difficult trading environment and recurring losses, the Group has surrendered our long term lease in Queensland in September 2020 to mitigate further losses.

In Malaysia, the opening of our joint venture hotel, a 229-key 4-star Mercure has been delayed due to the pandemic. We remain cautiously optimistic however that we will be able to tap into a recovering Malaysian tourism market post-pandemic, when the hotel is launch towards mid-2021.

Additionally, the Reserve Bank of Australia's monetary policy of keeping the cash rate low to support the economy, combined with our efforts to prudently manage fluctuating interest rates has resulted in a decrease in finance costs. As a whole, the Group's focus continues to be strengthening EBITDA and increasing gross profit through cost management and an incremental revenue increase. To achieve this, we intend to bring each segment of the Group's business back online as demand grows, while streamlining administration and service provision to create a more efficient, dynamic, and versatile workforce.

In the upcoming financial year, we will continue to stay vigilant in implementing our business strategies, manage our risks to weather current economic turbulence, fortify our business, and bounce back from the temporary headwinds of the pandemic.

Appreciation

On behalf of the Group and the Board, I would like to express my heartfelt gratitude to the various regulatory authorities, business partners, associates, bankers, suppliers and customers, for their unwavering support and conviction in us during a time of unprecedented challenges for the Group and economies globally.

To my fellow Directors, whose counsel and guidance throughout the year has been immeasurable, thank you for your valued advice. To the staff and management of Lasseters, I would like to express my sincere appreciation for your effort, hard work and dedication towards ensuring the successful operation of the Group and in providing the highest value service to our guests despite the challenging environment.

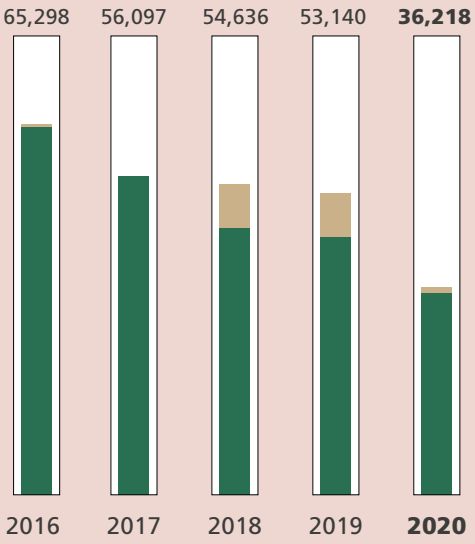
Lastly, to our valued and loyal shareholders, thank you for your faith in Lasseters through this season. It is a privilege to have your steadfast support and votes of confidence as we continue to navigate through uncharted waters and deliver sustainable returns to all our stakeholders.

I hold the optimism of seeing you at our next Annual General meeting.

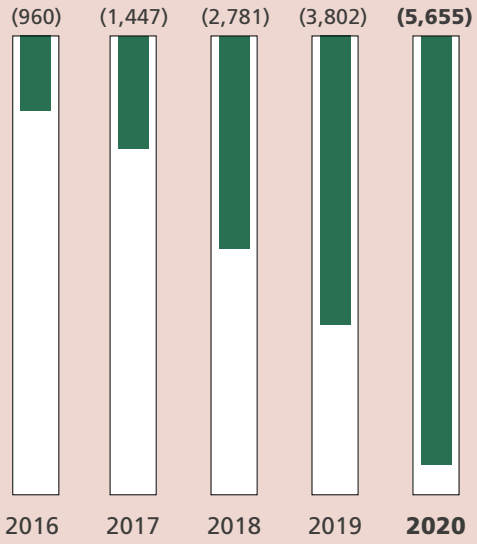
Dato' Jaya J B Tan
Executive Chairman

FINANCIAL HIGHLIGHTS

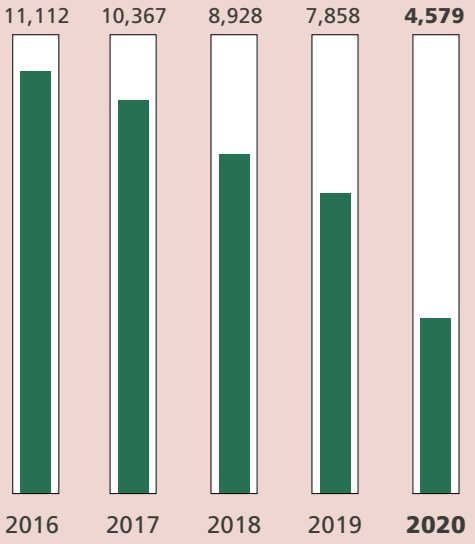
REVENUE
AUD ('000)



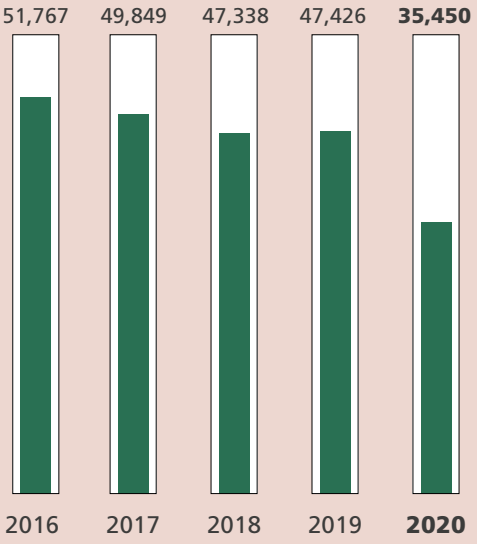
LOSS AFTER TAX*
AUD ('000)



EBITDA
AUD ('000)



NET ASSET VALUE
AUD ('000)



Revenue from Continuing Operations Revenue from Discontinued Operations

* Loss after tax excludes impairment of assets and (gain)/loss on disposal of assets and businesses.

REVIEW OF OPERATIONS

Crowne Plaza Alice Springs Lasseters ("CPASL") and Lasseters Casino ("LC"), collectively known as Lasseters Hotel Casino ("LHC"), Australia

The Group's land-based hotel and casino property in Alice Springs, Northern Territory ("NT") – Crowne Plaza Alice Springs Lasseters and Lasseters Casino – remains an iconic integrated resort in Central Australia.

The Group made a strategic alliance with InterContinental Hotels Group ("IHG") in re-branding our hotel into a 4.5-star Crowne Plaza in December 2016, followed by an extensive AUD6.5 million room refurbishment programme to upgrade and modernise its facilities which was completed in March 2018. The resulting economy of scale has allowed the Group to fully maximize its asset potential. By optimizing branding and marketing opportunities, CPASL has emerged as a market leader with strong occupancies of above 90% during the peak pre-COVID-19 months at the start of the financial year. In November 2019, CPASL won the 2019 Brolga NT Tourism Award for Best Deluxe Accommodation for the seventh consecutive year since 2013, a testimony of our service excellence.

Through premium hospitality and a focus on improving guest satisfaction, CPASL leverages on the strong synergy between the two Groups to further develop the Meetings, Incentives, Conventions and Exhibitions ("MICE") markets.

LC contributes approximately 50% of the total revenue for the LHC property by offering international-standards gaming products, a sports lounge, a VIP gaming lounge, a poker room and TAB facilities. Following the renewal of our machine replacement program in the second half of 2019, the casino continues to increase gaming market share in the region by delivering premium and cutting-edge products, developing and increasing its member base and refining a loyalty program that is integrated across many facets of the property.

Operational Review

LHC continues to be the main driver of the Group's revenue, contributing 98.1%, or AUD34.9 million, of the Group's total revenue for the financial year ended 30 June 2020 ("FY2020").

During the reporting period, LHC suffered the effects of the COVID-19 pandemic, with top-line coming in at AUD34.9 million, and bottom-line (excluding exceptional item and management fee) coming in at a net loss before tax of AUD1.8 million, as compared to revenue of AUD44.5 million and profit before tax (excluding exceptional item and management fee) of AUD1.3 million respectively for FY2019. The exceptional item in FY2020 relates to an expected credit loss on a financial guarantee provided to a bank for facilities granted to a related company. The decline in revenue was largely due to the mandatory closure of business for a period of 3 months following NT government directives to shut down casino, licensed venues, restaurants, gyms and entertainment venues in March 2020.

LC was closed from late March 2020 and re-opened in early June 2020, whilst the gym and limited food & beverages offering re-opened in mid-May 2020. CPASL was closed from April 2020 to early July 2020.

Government stimulus, in particular the JobKeeper wage subsidy of approximately AUD1.0 million has helped LHC in mitigating some of the losses.

Gaming tax increased by 2% in FY2020 for the second consecutive year. Even so, LHC recorded an overall decrease in operating expenses by 14.9% or AUD6.0 million as a result of an active management strategy in containing cost to deal with the aftereffects of COVID-19.



REVIEW OF OPERATIONS

LHC has also actively and prudently managed fluctuating interest rates, resulting in a decrease in finance costs by 12.1% to AUD2.4 million.

Outlook

The economic impact of COVID-19 has been felt on a global scale. The road to a new normal remains unchartered and Tourism has been deeply impacted by the pandemic. International tourism remains uncertain, domestically however, the NT borders are currently open to travellers from areas within Australia that have not been declared hot-spots.

The NT government has been supportive with setback solutions such as the AUD2.0 million Tourism Resilience Plan and the AUD15.2 million Territory Tourism Voucher Scheme. These schemes coupled with our dominant market position and premium offerings, will pave the way for CPASL to make reach a gradual recovery underpinned by domestic Australian travels.

As a fully integrated entertainment destination, LC has benefitted from a resurgence in beverage and gaming revenue and is experiencing phenomenal levels of revenue and patronage since its re-opening in mid-May 2020 and early June 2020 respectively. The results for these sectors are stronger than they were in comparison to last year pre-COVID-19. That said, the continuance of its record performance on both the gaming and beverages front remains uncertain.

Cypress Lakes Group Pty Limited ("CLGL"), Australia

Wellness tourism remains fiercely competitive in Australia and globally. In efforts to streamline operations and unlock shareholder value, the Group successfully disposed its spa and wellness property in Hunter Valley for AUD5.0 million, or 8.1% higher than its book value of AUD4.6million in July 2019.

In September 2020, another subsidiary The Golden Door Pty Limited, which operates a gym and spa in Queensland, has successfully surrendered its long-term lease back to its landlord on mutual agreement despite having tried many years; without suffering any penalties in terminating the lease prematurely.

The Group has taken these bold steps to mitigate recurring losses suffered over the years and intends to retain its premium brand name of "The Golden Door" for future opportunities.

Operational Review

The spa and wellness business has not been spared from the COVID-19 aftermath. Following the disposal of its spa and wellness property in Hunter Valley, CLGL has recorded a lower loss before tax excluding impairment of AUD1.9 million in FY2020 as compared to AUD2.2 million in FY2019.

Outlook

Considering the operational losses sustained over the years, the surrender of the long-term lease is timely to stop further leakages to the Group. Consequently, the Group has ceased its gym and spa business in Queensland.

Nonetheless, the Group will continue to look out and leverage its premium brand "The Golden Door" on available opportunities ahead and to enhance the Group's value.

Development undertaken in Malaysia

Malaysia continues to play an important role as one of the Group's core markets, as we continue to explore new business opportunities in the hospitality and property development sectors.

Expanding our hospitality portfolio to the Malaysian peninsula, the Group entered into a joint venture project in FY2017 to develop, own and operate a 229-key 4-star hotel in Glenmarie, Shah Alam, Malaysia.

The hotel is located in a vibrant 21.7-acre metropolis, integrating commercial, retail and residential developments, as well as the UOW Malaysia KDU University College.

We have lined up a world-leading hospitality group, Accor, to manage the property under its "Mercure" brand, and believe its global expertise and deep understanding of the needs of business and leisure travellers will help kick-start the hotel's business when it opens.

The hotel's development has been delayed due to the COVID-19 pandemic and is now slated for a soft opening in mid-2021 contingent on the development and recovery of the tourism industry post-pandemic. We are confident the hotel will provide a new source of revenue and earnings growth for the Group, enabling us to generate long-term value for shareholders.

Healthier Way of Living

Crowne Plaza Alice Springs Lasseters



An award winning 4.5 star hotel with themed restaurants and bars, our establishment boasts 205 rooms and suites overseeing the nearby 18-hole Alice Springs Golf Club.

CORPORATE GOVERNANCE

The Directors and Management of Lasseters International Holdings Limited ("Lasseters" or the "Company") and its subsidiaries (collectively with the Company, the "Group") are committed to maintain high standards of corporate governance in order to protect the interests of its shareholders as well as enhance corporate performance and business sustainability. It has put in place practices in accordance with the principles and guidelines set out in the Code of Corporate Governance 2018 (the "Code"). The following outlines the corporate governance principles applied by the Company with specific references to the Code. Where there is any material deviation from the provisions of the Code, an explanation has been provided within this report.

BOARD MATTERS

PRINCIPLE 1
The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the Company.

Provision 1.1

Board's Role

The primary function of the Board of Directors (the "Board" or the "Directors") is to provide entrepreneurial leadership and direction to enhance the long-term value and returns for its shareholders. The Board oversees the business affairs of the Group and has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investments proposals, financial performance reviews and corporate governance practices.

Besides carrying out its statutory responsibilities, the Board's role includes:-

1. providing entrepreneurial leadership and guidance on the overall long-term strategic plans and performance objectives as well as operational initiatives and to ensure that the necessary financial and human resources are in place to meet its objectives;
2. overseeing the business affairs of the Company and reviewing the performance of the Executive Chairman, Chief Executive Officer (the "CEO") and senior management executives and ensuring that they are appropriately remunerated;
3. reviewing and evaluating the adequacy and effectiveness of the Group's risk management, internal control systems, financial reporting and compliance, operational compliance and information technology controls;
4. reviewing and approving key operational and business initiatives, major funding proposals, significant investment and divestment proposals, corporate or financial restructuring, share issuance and dividends, the Group's annual budgets and capital expenditure, the Group's operating and financial performance, risk management processes and systems, human resource requirements, half-year and full-year financial results and other corporation actions;
5. setting the Company's values and standards and ensure that obligations to shareholders and other stakeholders are understood and duly met;
6. considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
7. providing the Management with advice on issues raised and at the same time monitors the performance of the Management.

Provision 1.2

Directors' Duties and Responsibilities

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group, safeguarding shareholders' interest and the Group's assets. The Directors act objectively in the best interest of the Company and hold Management accountable for performance. Decisions are made objectively in the Group at all times. Any Director facing conflicts of interest will recuse himself from discussions involving the issues of conflict.

CORPORATE GOVERNANCE

Continuous Training and Development of Directors

The Board is briefed on recent changes on the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic developments of the Group. As part of the Company's continuing education for Directors, Directors are provided with articles, reports and press releases relevant to the Group's business to keep them updated on current industry trends and issues.

The Group conducts an orientation briefing to provide newly appointed Directors with a better understanding of the Group's business activities, strategic direction and policies, key business risks, governance practices and the Group's culture to enable them to integrate into their new roles. Upon the appointment of each Director, the Company would provide a formal letter to the Director setting out the Director's roles, obligations, duties and responsibilities as a member of the Board. Newly appointed Directors are briefed on the Company's business operations, strategic directions, group structure, policies and corporate governance practices. They are introduced to key management personnel and provided with essential information about the Company. In addition, first time Directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 406(3)(a) of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"). No new Director was appointed during the year under review.

The Directors will be encouraged, on the Company's expense, to attend appropriate training, conferences and seminars for them to stay abreast of relevant business developments and outlook.

No external training was attended by the Directors in FY2020.

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The Group has adopted a set of guidelines setting forth matters that require the Board's approval. The types of transactions that require the Board's approval, among others, include:-

1. Announcements of the half-year and full-year results;
2. Audited Financial Statements;
3. Convening of shareholders' meetings;
4. Declaration of interim dividends and proposal of final dividends;
5. Acceptance of financial facilities and issuance of corporate guarantee;
6. Annual operating and capital budgets;
7. Approval of material acquisition and disposal of assets; and
8. Interested person transactions.

Provision 1.4

Delegation of Authority to Board Committees

Board Committees comprising the Audit Committee (the "AC"), Nominating Committee (the "NC") and Remuneration Committee (the "RC") which were constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board, were established to assist the Board in the discharge of its duties. These Committees review and decide or make recommendations to the Board on matters within their specific terms of reference. The Board accepts that while the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE

The present Board Committee members are as follows:-

Directors	Audit Committee	Nominating Committee	Remuneration Committee
Teo Chee Seng	Chairman	Member	Chairman
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	Member	Chairman	Member
Dato' Kamal Y P Tan	Member	Member	Member
Dato' Jaya J B Tan	-	Member	-

Provision 1.5

Meetings of Board and Board Committees

The dates of the Board and board committee meetings are scheduled in advance to assist the directors in planning their attendance. The Board meets at least three times a year and as warranted by particular circumstances. Ad-hoc meetings are also convened to deliberate on urgent and substantive matters. Telephone attendance and conference via audio-visual communication at Board and board committee meetings are allowed under the Company's constitution. Board decisions may also be made by way of circulating resolutions.

The attendance of the directors at meetings of the Board and Board committees is as follows:-

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No. of meetings held in FY2020	3	2	2	1
Number of meetings attended				
Dato' Jaya J B Tan	3	n/a	n/a	1
Dato' Kamal Y P Tan	2	2	1	1
Tan San Chuan	3	n/a	n/a	n/a
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	3	2	2	1
Teo Chee Seng	3	2	2	1

n/a - not applicable as director is not a member of the committee.

Provision 1.6

Board's Access to Information

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decision and discharge their duties and responsibilities. Before each Board and Board Committee meeting, Management will provide the Directors with the agenda and the meeting materials relating to matters to be discussed during the meeting. Such meeting materials may include financial statements, forecasts, disclosure documents and industry information. This is to allow the Directors some time to better understand the matters and to deliberate over any issues. Directors are entitled to request for additional information and explanations from Management and such information shall be provided in a timely manner.

CORPORATE GOVERNANCE

Provision 1.7

Board's Access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Company's senior management and the Company Secretaries. At least one of the Company Secretaries attends the Board and Board committee meetings and is responsible for ensuring that board procedures are followed in accordance with the constitution of the Company, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval.

The Board collectively and each Director individually has the right to seek independent, legal and other professional advice at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Such cost for professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2

The Board has an appropriate level of independence and diversity of thought and background on its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

Strong and independent element on the Board, with independent directors making at least one-third of the Board.

The Board currently comprises five members, comprising one Executive Chairman, two Non-Executive Directors and two Independent Directors. Non-Executive Directors make up a majority of the Board.

Name	Age	Date of first appointment	Date of last re-election	Designation
Dato' Jaya J B Tan	72	26.2.2004	27.10.2017	Executive Chairman
Dato' Kamal Y P Tan	68	26.2.2004	25.10.2018	Non-Executive Director
Tan San Chuan	39	15.9.2005	25.10.2019	Non-Executive Director
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	74	27.2.2004	25.10.2018	Independent Director
Teo Chee Seng	66	26.2.2004	25.10.2019	Independent Director

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a declaration form annually to confirm his independence. The NC deliberates the independence of the Directors against a checklist and determines whether the Directors are independent in conduct, character and judgement, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors do not fall under the circumstances of Rule 406(3)(d) as they were not employed by the Company or any of its related corporations for the current or any of the past three financial years and they do not have an immediate family member who is, or has been in any of the past in the current three financial years, employed by the Company or its related corporations and whose remuneration is determined by the Remuneration Committee.

In addition, neither the Independent Directors nor their immediate family members, in the current or immediate past financial year, provided or received from the Company or its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) for payments aggregated in excess of SGD50,000 other than compensation for board service. Neither the Independent Directors nor their immediate family members, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organization which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) in excess of SGD200,000.

CORPORATE GOVERNANCE

The Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related corporation, its substantial shareholders or its officers that could interfere or be reasonable perceived to interfere with the exercise of their independent judgement.

Provisions 2.2 and 2.3

Composition of Independent Directors and Non-Executive Directors on Board

The number of independent directors represent more than one third of the Board and majority of the Board comprises non-executive Directors.

The Company's Executive Chairman is not independent. Pursuant to the Code, the Company has not complied with the requirement for independent Directors to make up a majority of the Board.

The Company has departed from the compliance of the Code and the following are the explanations for departure:-

1. The current Board composition is appropriate for the Company's size, operations and future direction and includes an appropriate mix of skills and expertise, relevant to the Company's business and level of operations;
2. The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties;
3. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company; and
4. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by Directors who have a vested interest in the Company.

The Company will work towards achieving a Board where Independent Directors made up majority of the Directors. The Board will put in place processes for the selection of suitable candidates to be appointed as Independent Directors to the Board. This process will be led by the NC taking into consideration that an effective and cohesive board requires the right balance of industry knowledge, experience, core competencies, skills and professional qualifications, as well as diversity of perspectives.

Where there is resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement.

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

Provision 2.4

Composition and Size of the Board

The Board's policy in identifying director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. Each year, NC reviews the size and composition of the Board and Board committees and the skills and core-competencies of its members to ensure an appropriate balance of skills and experience. These competencies include business acumen, legal, accounting and finance, management experience, industry knowledge, strategic planning experience, familiarity with regulatory requirements and knowledge of risk management. The Board considers its Directors to possess the necessary competencies and knowledge to lead and govern the Group effectively.

Taking into account the nature and scope of the Group's businesses and the number of Board committees, the Board considers the current board size as appropriate. The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision-making. The Directors' academic and professional qualifications are presented under the section "Board of Directors" in this Annual Report.

CORPORATE GOVERNANCE

Provision 2.5

Role of Non-Executive Directors

The non-executive Directors constructively challenge and help develop proposals on strategy and review the performance of the Management in meeting agreed goals and objectives and the reporting of performance. They are encouraged to meet regularly without the presence of the Management. As and when warranted, Non-Executive Directors meet to discuss the Company's affairs without the presence of Management. Thereafter, the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2

Separate roles of Chairman and Chief Executive Officer

The Chairman and the CEO functions in the Company are assumed by different individuals who are not immediate family members. The Executive Chairman is Dato' Jaya J B Tan and the CEO is Datuk Paul Wong Baan Chun, J.P. There is a clear division of responsibilities between the Chairman and the CEO, which ensures the balance of power and authority at the top of the Company.

The Chairman is responsible for the effective workings of the Board and promoting high standards of corporate governance. He ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with other Directors and the key management. He ensures that the directors receive complete, adequately and timely information and reviews Board papers before they are presented to the Board. During the Board meetings, he facilitates effective contributions and constructive discussions on strategic issues and business planning from the executive and non-executive Directors. He plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management at AGMs and other shareholders meetings.

The CEO is responsible for the running of the day-to-day business of the Group within the authorities delegated to him by the Board, ensuring implementation of policies and strategy across the Group as set by the Board, ensuring that the Chairman is kept appraised in a timely manner of issues faced by the Group and of any important events and developments, leading the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business, and reviewing the performances of its existing businesses.

Provision 3.3

Lead Independent Director

The Board has consistently demonstrated it is able to exercise independent decision-making and because of this, the Board has not appointed a lead independent director to date. In addition, the independent directors will confer among themselves (when necessary) and provide feedback to the Executive Chairman as appropriate. Notwithstanding this, it may appoint one in the interest of embracing recommended best practices. The Board is of the opinion the role of Dato' Jaya as Executive Chairman of the Company does not affect the independence of the Board.

Both independent directors are available to shareholders when they have concerns and where contact through the normal channels of the Executive Chairman, CEO and Management has failed to resolve such concerns or is inappropriate. Shareholders who wish to contact the Independent Directors to address any queries on the Company's affairs may access to the Company's website at www.lasseters-intl.com/contact.

CORPORATE GOVERNANCE

PRINCIPLE 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

Nominating Committee

The NC comprises one Executive Director, one Non-Executive Director and two Independent Non-Executive Directors, one of whom is also the Chairman of the Committee. The members of the NC are as follows:-

Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Chairman)	Non-Executive, Independent
Teo Chee Seng (Member)	Non-Executive, Independent
Dato' Kamal Y P Tan (Member)	Non-Executive, Non-Independent
Dato' Jaya J B Tan (Member)	Executive, Non-Independent

The NC had complied with Provision 4.2 which required the NC to be made up by a majority of independent directors until 31 December 2014 when it appointed a non-executive director as a member to replace an independent director who had resigned then. The reason for the replacement was to maintain the NC membership of four directors so as to enable sufficient members to make recommendation for the re-election of directors to the Board should there be any two of the members standing for re-election in the year as directors who are standing for re-election do not make recommendation for themselves. In addition, to maintain the independence of the board, there is a formal and transparent process for the appointment and re-appointment of directors, the decisions of the NC are made by the NC as a whole, and no individual dominates the NC's decision-making.

The NC has adopted its terms of reference that describes the responsibilities of its members.

The NC performs the following principal functions:-

- Reviews the structure, size and composition of the Board and makes recommendations to the Board;
- Identifies candidates and reviews all nomination for the appointment and re-appointment of members of the Board;
- Determines annually whether or not a Director is independent in accordance with the guidelines of the Code;
- Decides how the Board's performance may be evaluated and proposes objective performance criteria for the Board's approval; and
- Assesses the effectiveness of the Board as a whole, as well as the contribution by each member of the Board.

Provision 4.3

Process for the Selection and Appointment of Directors

The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and key management personnel's succession and leadership development plans.

The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new directors. The NC seeks potential candidates widely and beyond directors/management recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

The NC decides how the Board should be evaluated and selects a set of performance criteria that is linked to long-term shareholders' value, to be used for performance evaluation of the Board.

The Board has power from time to time and at any time to appoint a person as a Director to fill a casual vacancy or as an addition to the Board. Any new Directors appointed during the year shall only hold office until the next Annual General Meeting ("AGM") and submit themselves for re-election and shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

CORPORATE GOVERNANCE

Presently, new Directors are appointed by way of a Board resolution after the NC approves and recommends to the Board for approval, subject to compliance with Lasseters' constitution governing new appointment of Directors. Regulation 90(2) of the Constitution provides that no Director shall be appointed without the consent of the Northern Territory ("NT") Minister. Regulation 90(3) further provides that upon a Director of Lasseters or, if required by a Gaming Authority or a Licence, any of Lasseters' subsidiaries being appointed, there shall be a period of 14 days during which Lasseters shall make an application(s) to the NT Minister for his consent for purposes of Regulation 90(2) above.

Regulation 102 of Lasseters' constitution requires the Managing Director, CEO or President (or person holding an equivalent position) who is a Director to be subject to retirement by rotation.

Regulation 106 of Lasseters' constitution requires one third of the Board to retire by rotation at every AGM. The Directors must present themselves for re-nomination and re-election at regular intervals of at least once every three years.

In reviewing the nomination of the retiring Directors, the NC considered the performance and contribution of each of the retiring Directors, having regard not only to their attendance and participation at Board and Board Committee meetings but also the time and efforts devoted to the Group's business and affairs, especially their operational and technical contributions.

In considering the appointment of any new Director, the NC ensures that the new Director possesses the necessary skills, knowledge and experience that could facilitate the Board in the making of sound and well-considered decisions. For re-appointments, NC takes into account the individual Director's past contributions and performance.

The NC has recommended the nomination of Directors retiring pursuant to the Company's constitution, namely Dato' Jaya J B Tan and Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon, who will retire and submit themselves for re-election at the forthcoming AGM. The NC is satisfied that Dato' Jaya J B Tan and Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon are properly qualified for re-election by virtue of their skills, experience, contribution and guidance to the Board's deliberation. For information on Directors seeking re-election, please refer to the "Additional information for Directors Seeking Re-election" section of the Annual Report.

Key information, directorships in other listed companies and other principal commitments of the Directors who held office during the financial year up to the date of this report are disclosed under "Board of Directors" section of the Annual Report.

Provision 4.4

Determining Directors' Independence

The Board also recognizes that independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such Directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these Directors.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a declaration form annually to confirm his independence. The NC deliberates the independence of the Directors against a checklist and determines whether the Directors are independent in conduct, character and judgement, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules.

Independent Directors, Mr Teo Chee Seng and Tan Sri Ir. Kuan Peng Soon, do not fall under the circumstances of Rule 406(3)(d) as they were not employed by the Company or any of its related corporations for the current or any of the past three financial years and they do not have an immediate family member who is, or has been in any of the past in the current three financial years, employed by the Company or its related corporations and whose remuneration is determined by the Remuneration Committee.

CORPORATE GOVERNANCE

In addition, the Independent Directors or his immediate family member, in the current or immediate past financial year, did not provide or received from the Company or its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) for payments aggregated in excess of SGD50,000 other than compensation for board service. The Independent Directors or their immediate family member, did not in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organization which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) in excess of SGD200,000.

The Independent Directors have each served on the Board for more than nine years. The NC has conducted a rigorous review of their contributions to the Board to determine if they have maintained their independence. The NC and the Board are satisfied with their continued independence in character and judgement in discharging their responsibilities as Directors of the Company with the utmost commitment to protect and uphold the interests of the Company and all shareholders, not just the substantial shareholders and found no evidence to indicate that the length of service has in any way affected their respective independence.

The Independent Directors have also contributed significantly to the discussion on matters before the Board, which include matters relating to the strategic direction and corporate governance of the Group, expressed individual viewpoints, debated issues, sought clarification as they deemed necessary including direct access to the Management and objectively scrutinized the Management. Having gained in-depth understanding of the business, operating environment and direction of the Group, they provided the Group with much needed experience and knowledge of the industry and offered valuable advice. Both have independent income source apart from the fees received from the Group. Accordingly, the NC, with the concurrence of the Board, is satisfied that both Mr Teo and Tan Sri Ir. Kuan have remained independent in their judgement and can continue to discharge their duties objectively.

Provision 4.5

Multiple Board Representations

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC is of the view that there is no current need to determine the maximum number of board representations a Director should have as the NC is satisfied that the Directors have been giving sufficient time and attention to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

The NC expects commitment of time by a Director to discharge his or her duties. Appointment of alternate directors should be considered only if justified under exceptional circumstances. The Company does not have any alternate director.

BOARD PERFORMANCE

PRINCIPLE 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

Provisions 5.1 and 5.2

Conduct of Board Performance

Criteria for Board Evaluation of Individual Directors

The Board regularly reviews the performance of the Management in meeting agreed goals and objectives and monitors the reporting of performance.

The NC reviews on an annual basis the composition and skills of the Board and determines if it is adequate and appropriate having regard to the nature and scope of the Company's operations and the costs involved.

CORPORATE GOVERNANCE

The NC assesses and makes recommendations to the Board as to whether retiring directors are suitable for re-election.

The NC has conducted a formal assessment of the effectiveness of the Board for the financial year under review. The NC reviewed the Board's performance informally with inputs from the other Board members. The evaluation exercise is carried out annually by way of a Board Assessment Checklist, which is circulated to the Board members for completion and thereafter, for the NC to review and determine the actions required to improve the corporate governance of the Company and the effectiveness of the Board and Board committees as a whole. The performance criteria for the Board/ Board Committees evaluation are in respect of size and composition, directors' independence, Board's accountability, board process, internal controls, quality of agenda/board papers, standard of conduct and risk management etc.

The evaluation of the Chairman of the Board is undertaken by the RC and the NC and the results are reviewed by the Board. The assessment of the Chairman of the Board is based on his ability to lead, whether he established procedures to ensure the effective functioning of the Board and that the time devoted to board meetings were appropriate and are conducted in a manner that facilitate open communication and meaningful participation for effective discussion and decision making by the Board.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2

Remuneration Committee

The RC comprises one Non-Executive Non-Independent Director and two Independent Non-Executive Directors, one of whom is also the chairman of the RC. The members of the RC are as follows:-

Teo Chee Seng (Chairman)	Non-Executive, Independent
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Member)	Non-Executive, Independent
Dato' Kamal Y P Tan (Member)	Non-Executive, Non-Independent

The role of the RC is to review and recommend remuneration policies and packages for directors and key executives and to disseminate proper information on transparency and accountability to shareholders on issues of remuneration of the executive Directors of the Group and employees related to the executive Directors and controlling shareholders of the Group.

Primary functions performed by the RC:-

- Reviews and recommends to the Board, a framework of remuneration for the Board and key executives taking into account factors such as industry benchmark, the Group's and individual's performance;
- Reviews the level of remuneration that are appropriate to attract, retain and motivate the directors and key executives;
- Ensures adequate disclosure on Directors' remuneration;
- Reviews and recommends to the Board the terms for renewal of Directors' service contracts; and
- Recommends to the Board, the executive share option schemes or any long-term incentive schemes which may be set up from time to time and does all acts necessary in connection therewith.

CORPORATE GOVERNANCE

Provision 6.3

Review of remuneration

The RC's review covers all aspect of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, long-term incentive schemes, including share schemes and benefits in kind. Recommendations are made in consultation with the chairman of the Board and submitted for endorsement by the entire Board. No Director is involved in deciding his own remuneration.

The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

Provision 6.4

Engagement of remuneration consultants

The RC has the authority to seek appropriate external or other independent professional advice in the field of executive compensation as it considers necessary to carry out its duties. During the financial year, the RC did not require the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1

Remuneration of Executive Directors and Key Management Personnel

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of Executive Chairman and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

The Executive Chairman has entered into service agreement which link rewards with both corporate and individual performance to promote shareholders' interests, long-term success of the Group and risk management policies. The service agreement covers the terms of employment, specifically salary and other benefits. The RC has reviewed the Company's obligations arising in the event of termination of the Executive Chairman's contract of service and is of the view that such contract of service contains fair and reasonable termination clauses which are not overly generous.

The Company currently does not have contractual provisions to reclaim the incentive component of remuneration from the Executive Chairman and there are no excessively long or onerous removal clauses in this service agreement.

Provision 7.2

Remuneration of Non-Executive Directors

The Board concurred with the RC that the proposed directors' fees for the year ended 30 June 2020 payable to the Non-Executive Directors is appropriate taking into consideration the level of contributions by the Directors and factors such as effort and time spent on the Board and Board Committees as well as the responsibilities and obligations of the Directors.

Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

CORPORATE GOVERNANCE

Provision 7.3

Appropriate remuneration to attract, retain and motivate key management personnel and directors

The Company's remuneration policy is structured to attract, retain and motivate Directors and staff to provide good stewardship to the Company, to run and manage the Company effectively and to be risk conscious so as to promote long term success of the Company and to protect the interests of shareholders. The Company adopts a remuneration policy which comprised fixed component in the form of base salary and other fixed allowances and the variable component which comprised bonus which is linked to the Company's and individual's performance.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8

The company is transparent in its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

Remuneration Report

The breakdown of the level and mix of remuneration of each Director and the CEO for FY2020 are set out below:-

	Salary[1] %	Directors' Fees[2] %	Bonus[3] %	Total Remuneration %
Directors				
SGD250,000 to below SGD500,000				
Dato' Jaya J B Tan	87.6	5.9	6.5	100.0
Below SGD250,000				
Dato' Kamal Y P Tan	-	100.0	-	100.0
Tan San Chuan	-	100.0	-	100.0
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	-	100.0	-	100.0
Teo Chee Seng	-	100.0	-	100.0
CEO				
SGD500,000 to below SGD750,000				
Datuk Paul Wong Baan Chun, J.P.	93.5	-	6.5	100.0

Notes:

(1) Inclusive of benefits in kind, allowances and provident funds/superannuation paid by the Company and/or its subsidiaries, where applicable.

(2) Includes directors' fees received from a subsidiary, where applicable.

(3) Bonus for FY2019 received in FY2020.

The Company has not complied with Provision 8.1(a) of the Code which requires the Company to disclose exact details of the remuneration of the Executive Chairman and the CEO due to the competitive pressures in the talent market and as such, maintaining confidentiality on such matters would be in the best interest of the Company.

CORPORATE GOVERNANCE

The Company is not compliant with Provision 8.1(b) of the Code which requires the Company to name and disclose the remuneration of the top five key management personnel (who are not directors or the CEO) in bands of SGD250,000. The Board is of the view that it is not in the interests of the Company to disclose the remuneration of the top five key management personnel (who are not Directors) within the bands of SGD250,000 each, the breakdown of each individual's remuneration and the aggregate total remuneration due to the sensitive and confidential nature of such information and disadvantages that this might bring which among others include group employment sensitivity, potential staff motivational and retention issues.

On the remuneration of the top five key management personnel, there were four of whom are in the less than SGD250,000 band and the remaining one of whom is in between SGD250,000 to SGD500,000 band.

The annual aggregate remuneration paid to the top five Key Management Personnel (excluding directors and CEO) for FY2020 is approximately SGD869,000.

There is no termination, retirement and post-employment benefits granted to Directors, the CEO and the top five key management personnel.

The Company does not use any contractual provisions to reclaim incentive components of remuneration from the Executive Chairman in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Company.

The Group adopts a process where the executive directors and key management personnel are reviewed and assessed for individual performance against set performance targets. Performance against these targets is a key factor determining their remuneration. On an annual basis, the RC reviews and makes recommendation to the Board for changes relating to the remuneration of the Executive Chairman and CEO, which includes increment and bonus, and will then submit its recommendation to the Board for approval.

Provision 8.2

Remuneration of Immediate Family Members of Directors or CEO

Except for Dato' Jaya J B Tan, there are no employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded SGD100,000 during FY2020.

Provision 8.3

Employee Share Scheme

The Company does not have any share option or other share incentive scheme for its employees. Accordingly, the requirements in Rule 851(1) of the Catalist Rules are not applicable. The RC has reviewed and is satisfied that the existing remuneration structure for management personnel and executives paid out in cash would continue to be adequate in incentivizing performance without being overly-excessive.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests of the company and its subsidiaries.

Provision 9.1

Risk Management and Internal Controls Systems

The Board reviews the risk profile of the Group and ensures that there are robust risk management policies and internal controls in place. The Board has delegated the responsibility for setting the direction of the Group's risk management strategy to the management. The key risks of the Group have been identified within a Group risk framework that has been approved by the Management and the AC.

CORPORATE GOVERNANCE

The Group has established risk management policies, guidelines and control procedures to manage its exposure to risks. Details of the various financial risk factors and the management of such risks are outlined in the financial statements.

It is part of the Board's role to ensure that there are adequate policies for risk management and internal controls and to oversee the effectiveness of the policies in achieving the Group's goals and objectives. The responsibility for implementing appropriate policies and procedures to achieve effective risk management and internal control is delegated to the senior management. The overall framework established by the Management is designed to enhance the soundness of the Group's financial reporting, risk management, compliance and internal control systems which include:

- processing improvement initiatives undertaken by business units;
- benchmarking against key risk indicators, such as loss reporting, exceptions reporting and management reviews;
- annual formal evaluations by the heads of business units and support functions on the soundness, effectiveness and efficiency of the financial reporting and risk management;
- ensuring compliance and internal control systems in their respective areas of responsibility;
- implementation of formal policies and procedures relating to the delegation of authority;
- involving of experienced and suitably qualified employees to take responsibility for important business functions; and
- segregation of key functions that are deemed incompatible and that may give rise to a risk that errors or irregularities may not be promptly detected.

There is an organisational structure with clearly drawn lines of accountability and delegation of authority. There are documented procedures in place that cover management accounting, financial reporting, investment appraisal, information systems security, compliance and other risk management issues.

The systems that are in place are intended to provide guidance in managing and mitigating the business risks in safeguarding assets, maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation and best practice, but not absolute assurance against misstatements or losses.

A system of internal controls has been implemented for all companies within the Group. The controls are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication is accurate and reliable.

Given the types of business conducted, the Group has to conform to strict guidelines laid down by the governments of NT, New South Wales ("NSW") and Queensland ("QLD") in Australia through specific legislation. Standard operating procedures of casino gaming are well documented in internal control manuals which have been endorsed by the respective governments. The respective governments are allowed to conduct random inspections on the day-to-day operations of the gaming business and to access the financial status, as well as to conduct checks on the Directors and the Management. The internal accounting controls are reviewed by the Group's present external auditors as part of their audit.

Provision 9.2

Assurance from the Executive Chairman and the CEO

For the financial year under review, the CEO (who also oversees all financial activities of the Group including corporate finance, treasury, accounting, financial reporting, internal control and enterprise risk management) and the Executive Chairman have provided assurance to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Board's comment on Adequacy and Effectiveness of Internal Controls and Risk Management Systems

While no system can provide absolute assurance against loss or misstatement, the Management, in designing the controls, had taken into account the business risk, its likelihood of occurrence and the cost of protection. During the financial year, the AC, on behalf of the Board, has reviewed the effectiveness of the various systems in place by the Management and is satisfied that there are adequate internal controls in the Group.

CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, the work performed by the external auditors and the reviews conducted by the Management, the Board, with the concurrence of the AC is of the opinion that the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology risks were adequate as at 30 June 2020.

AUDIT COMMITTEE

Principle 10
The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 and 10.2

Audit Committee

The AC comprises one Non-Executive Non-Independent Director and two Independent Non-Executive Directors, one of whom is also the chairman of the AC. The members of the AC are as follows:-

Teo Chee Seng (Chairman)	Non-Executive, Independent
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Member)	Non-Executive, Independent
Dato' Kamal Y P Tan (Member)	Non-Executive, Non-Independent

All members of the AC have recent and relevant accounting or related financial management expertise or experience.

Roles, Responsibilities and Authorities of AC

The principal responsibility of the AC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the Group's material internal controls, including financial, operational, compliance and risk management controls at least once annually, to safeguard the Company's assets and maintain adequate accounting records, with the overall objective of ensuring that the management creates and maintains an effective accounting control in the Group.

The AC has authority to investigate any matter within its terms of reference, gain full access to and co-operation by Management, exercise full discretion to invite any Director or executive officer to attend its meetings, and gain reasonable access to resources to enable it to discharge its function properly.

The AC has undertaken a review of all non-audit services provided by the external auditors and is of the opinion that the provision of such services would not affect the independence of the auditors.

The members of the AC carried out their duties in accordance with the terms of reference which include the following:-

- review and discuss with external auditors before the audit commences, the nature and scope of the audit to ensure co-ordination where more than one audit firm is involved;
- review audit plans and results of the audit performed by the external auditors and ensure adequacy of the Group's system of accounting controls;
- review the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board;
- review the announcements of the financial results;
- ensure the integrity of the financial statements by reviewing key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance;
- review the adequacy of the internal audit function and the effectiveness of the Company's material internal controls;
- review the independence of the external auditors;
- review interested person transactions;
- review the co-operation given by the Management to the external auditors; and
- review the appointment and re-appointment of external and internal auditors of the Company and the audit fees.

CORPORATE GOVERNANCE

The external auditors have full access to the AC who has the express power to conduct or authorise investigations into any matters within its terms of reference. Minutes of the AC meetings will be regularly submitted to the Board for its information.

The AC has reviewed the Group's risk assessment and based on the audit reports and management controls in place is satisfied that there are adequate internal controls in the Group.

Independence of External Auditors

For the year under review, the Group has accrued and paid an aggregate amount of audit and non-audit fees of AUD311,733 comprising audit fees of AUD87,541 to auditors of the Company; and AUD172,742 and AUD51,450 to other auditors for audit fees of the subsidiaries and non-audit fees respectively. In compliance with Rule 1204(6) of the Catalist Rules, the AC confirmed that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the AC's opinion, affect the independence of the auditors.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to its Auditors.

The AC has recommended the re-appointment of BDO LLP as auditors for the ensuing year, subject to shareholders' approval at the forthcoming AGM.

The AC is guided by the terms of reference which stipulate its principal functions. The Company will arrange to send its AC members to seminars for updates on Financial Reporting Standards, if required. The external auditors provides regular updates and briefings to the AC on changes or amendments to accounting standards to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and has put in place a whistle-blowing policy, endorsed by the AC. The policy provides mechanism where employees, may in good faith and confidence, raise concerns about dishonesty, fraudulent acts, corruption and improper conduct that may cause financial or non-financial loss to the Group with the assurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

All whistle-blowing cases are to be reported to the Chairman of the AC. The AC will objectively assess, investigate and recommend appropriate remedial actions to be taken, where warranted. It will report to the Board on such matters at Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

There were no reported incidents pertaining to whistle-blowing during the year under review.

Provision 10.3

Partners or Directors of the Company's Auditing Firm

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporations within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; in any case, for as long as they have financial interest in the auditing firm or auditing corporation.

Provision 10.4

Internal Audit Function

The Internal Audit Function within the Group is headed by Mr. Allan Duffell who is the Compliance Manager at Lasseters Hotel Casino, the Group's main business unit. He has the ACI Associate Intensive Compliance qualification and is a member of GRC Institute and National Association for Gambling Studies and has relevant experience in compliance and regulatory requirements.

CORPORATE GOVERNANCE

The main role of the internal audit function is to review the effectiveness of the system of internal controls. Internal audits are continuously carried out by designated personnel in the Group who has relevant qualifications and experience, in addition to random inspection by NT, NSW and QLD Governments and also internal accounting control reviews of the subsidiaries by external auditors as part of their audit. They are responsible for ensuring that the Group's operational and financial controls comply with the strict guidelines laid down by the NT, NSW and QLD Governments through specific legislation and support the Audit Committee in its role of assessing the effectiveness of the Group's overall internal control system and assisting in the implementation of a risk management framework.

The internal audit designated personnel carried out its functions according to standards set by internationally recognized professional bodies. The Company's external auditors, BDO, have also provided an independent perspective and analysis on the internal financial control system. Material non-compliance and internal control weaknesses and recommendations for improvements noted during their audit are reported to the AC. The AC has reviewed the effectiveness of the actions taken by the management on the recommendations made by the internal audit and external auditors in this respect.

The internal audit's primary line of reporting is to the AC Chairman and administratively to the CEO. It has unfettered access to the Group's documents, properties records and personnel of the Company and the Group, including access to the AC.

Adequacy and Effectiveness of Internal Audit Functions

During the financial year, the AC, after carrying out a review, confirmed that the internal audit function is independent, effective and adequately resourced to address operational, financial, compliance risks and technology risks.

Provision 10.5

Meeting with external and internal auditors without presence of Management

The AC will meet with the external auditors without the presence of the Management at least once a year to review the scope and results of the audit and its cost effectiveness, as well as the independence and objectivity of the external auditors.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

PRINCIPLE 11

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company is committed to treating all shareholders fairly and equitably. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on an accurate and timely basis via SGXNet, in particular, information relating to the Company's business development and financial performance which could have a material impact on the Company's share price so as to enable shareholders to make informed decisions in respect of their investments.

Shareholders have the opportunity to participate effectively in and vote at the general meetings of shareholders. Shareholders are informed of shareholders' meetings, through notices contained in annual reports or circulars sent to all shareholders. The notice is also released via SGXNet and published in local newspaper.

The Constitution of the Company allows each shareholder to appoint up to two proxies to attend and vote at general meetings on his/her behalf. Pursuant to the Companies Act, members defined as "relevant intermediary" are allowed to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and the Central Provident Fund ("CPF") Board which purchases shares on behalf of the CPF investors.

CORPORATE GOVERNANCE

Shareholders are given the opportunity to participate effectively and vote at general meetings where relevant rules and procedures governing such meeting are clearly communicated. All resolutions at general meetings of the Company will be voted by poll as required by Rule 730A(2) of the Catalist Rules.

Provision 11.2

Separate Resolutions for Separate Issues

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Provision 11.3

Attendance of Directors and Auditors at General Meetings

Barring unforeseen circumstances, all Directors and in particular, the Chairpersons of the AC, NC, RC as well as the CEO will be available to address questions at general meetings. The external auditors are also present to address any shareholders' questions on the conduct of audit and the preparation of the Auditors' Report. The Company Secretary/ Secretaries attends all general meetings to ensure that procedures under the Constitution and the Catalist Rules are complied.

In 2019, the Company held one general meeting, namely the AGM, which was attended by all the Directors.

Provision 11.4

Absentia voting

The Company's Constitution does not allow a shareholder to vote in absentia due to concerns on authentication of shareholder's identity, other related security and integrity of the information.

Provision 11.5

Minutes of general meetings

The Company prepares minutes of general meetings detailing proceedings and questions raised by shareholders and answers given by the Board and Management. Moving forward, such minutes, including the minutes of the upcoming AGM for FY2020, will be published on SGXNet, and on the Company's corporate website at www.lasseters-intl.com. Results of general meetings will continue to be released as an announcement on SGXNet.

Provision 11.6

Dividend

The Company does not have a fixed policy on payment of dividend. The Board will consider the Group's earnings, cash flow, capital requirement and general business condition before proposing a dividend. For FY2020, the Company did not declare any dividend as it is not in a profitable position.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

CORPORATE GOVERNANCE

Provision 12.1

Avenues for communication between the Board and shareholders

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. Besides the release of half-year results, the Company ensures timely and adequate disclosure of information on material matters required by the Catalist Rules through announcements via the SGXNet. The Company does not practice selective disclosure of material information.

The Board views the annual general meeting as a forum for dialogue with shareholders as it provides an opportunity for shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations and to enable the Company to understand the views of the shareholders.

Provisions 12.2 and 12.3

Investor Relations

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely and equal dissemination of information and news via announcements on the SGXNet.

The Company values dialogue sessions with its shareholders. The Group welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. Shareholders can submit their feedback and raise any questions to the Company's investor relation contact as provided in the Company's website, www.lasseters-intl.com.

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2

The Group identifies its key stakeholders by taking into consideration their involvement in and influence on the Group's business. The stakeholders of the Group include, but are not limited to, shareholders, customers, employees, suppliers, government, regulators and the community.

Lasseters adopts both formal and informal channels of communications to better understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships. The Group is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in our corporate strategies. The sustainability report published provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships.

Material Contracts

No material contracts were entered into between the Company or any of its subsidiaries involving the interests of any Director, CEO or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year up to the date of the financial statements except for related party transactions and director's remuneration as disclosed in the financial statements.

CORPORATE GOVERNANCE

Interested Person Transactions

Lasseters has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures. If the Company intends to enter into an interested person transaction, the AC and the Board will ensure that the transaction are carried out based on normal commercial terms and will not be prejudicial to the interest of the Company and its non-controlling shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules. There were no interested person transactions entered into by the Group in excess of SGD100,000 during the year under review.

Dealings in Securities

The Company has adopted and implemented a policy on dealings in securities that is in accordance with Rule 1204(19) of the Catalist Rules. Under this policy, the Company, Directors and officers of the Group have been prohibited from dealing in the Company's shares during the period commencing one month before the half-year or full-year results announcement, as the case may be, and ending on the date of announcements of the relevant results and at any time whilst in possession of unpublished price sensitive information. They are discouraged from dealing in the Company's securities on short-term considerations.

In the course of doing business for the Company and the Group or in discussion with one of customers, vendors or partners, directors and officers of the Company and the Group may become aware of material non-public information about that organisation. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to trade in the public securities of the Company. The discussion of this information is on a limited "need to know" basis internally and is not shared with anyone outside the Company or the Group. Directors and officers are not allowed to buy or sell the public securities of the affected organisations, including the Company, on the basis of such information, nor can this information be shared with others.

The Company has complied with the best practice pursuant to Rule 1204(19)(c) Catalist Rules in not dealing in its own securities during the restricted trading periods.

Catalist Sponsor

There was no non-sponsor fee paid to the sponsor for the year under review. However, the Group has paid to an affiliate of the sponsor, Zico-Stamford Corporate Services Pte Ltd an aggregate of SGD11,400 as secretarial fee on retainer basis for FY2020.

Sustainability Report

The Sustainability Report will be issued and released via SGXNet within the prescribed timeline as required under Rule 711A of the Catalist Rules.

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DIRECTORS' STATEMENT

The Directors of Lasseters International Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2020 and the statement of financial position of the Company as at 30 June 2020 and the statement of changes in equity of the Company for the financial year then ended.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, and with reference to Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Dato' Jaya J B Tan	(Executive Chairman)
Dato' Kamal Y P Tan	(Non-Executive Director)
Tan San Chuan	(Non-Executive Director)
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	(Independent Director)
Teo Chee Seng	(Independent Director)

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Shareholdings registered in the name of Directors/Nominees		
	Balance as at 1.7.2019	Balance as at 30.6.2020	Balance as at 21.7.2020
The Company	**Number of ordinary shares**		
Dato' Jaya J B Tan	95,868,540	95,868,540	95,868,540
Dato' Kamal Y P Tan	99,116,012	99,116,012	99,116,012
Tan San Chuan	18,115,336	18,115,336	18,115,336
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	39,042,478	39,042,478	23,942,478
Teo Chee Seng	400,000	400,000	400,000

By virtue of Section 7 of the Act, Dato' Kamal Y P Tan is deemed to have interests in the shares of all the subsidiaries of the Company, as at the beginning and end of the financial year. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 July 2020 in the shares of the Company is shown as above.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit Committee

The Company's Audit Committee comprises the following members, all of whom are Non-Executive Directors and a majority of whom, including the Chairman, are Independent Directors:

Teo Chee Seng (Chairman)
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
Dato' Kamal Y P Tan

The Audit Committee meets periodically to perform (amongst others) the following functions:

a. review with the external independent auditor the audit plan, and the results of the external independent auditor's examination and evaluation of the system of internal accounting controls;

DIRECTORS' STATEMENT

6. Audit Committee (Continued)

b. review the consolidated financial statements of the Group, statement of financial position and statement of changes in equity of the Company, and the external independent auditor's report on those financial statements, before submission to the Board of Directors for approval;

c. review the announcement of the financial results;

d. review the co-operation given by the management to the external independent auditor;

e. consider the appointment and re-appointment of the external independent auditor;

f. review and approve interested person transactions;

g. review potential conflict of interests, if any;

h. undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and

i. generally undertake such other functions and duties as may be required by statute or the provisions of Section B: Rules of Catalist of the Listing Manual of SGX-ST, and by such amendments made thereto from time to time.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. Additional disclosure requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiary corporations of the Company are disclosed in Note 14 to the financial statements. In the opinion of the Board of Directors and Audit Committee, Rule 712 and Rule 715 of the provisions of Section B: Rules of Catalist of the Listing Manual of SGX-ST have been complied with.

On behalf of the Board of Directors

Dato' Jaya J B Tan
Executive Chairman

Dato' Kamal Y P Tan
Non-Executive Director

18 September 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Lasseters International Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lasseters International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

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 Auditor's 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 ("ACRA") 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Lasseters International Holdings Limited

Report on the Audit of the Financial Statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
Going Concern	
As at 30 June 2020, the Group's current liabilities exceeded its current assets by approximately AUD10,727,600. The Group also incurred a net loss of approximately AUD6,786,000 and had negative cash flows from operating activities of approximately AUD383,000 for the financial year ended 30 June 2020. The Group actively manages their operating cash flows and availability of funding so as to ensure that the Group would be able to meet its working capital needs and service debt obligations. Based on the cash flow forecast prepared and the availability of funds through credit facilities available, management has determined that the Group will have sufficient liquidity for its working capital and financial obligations as and when they fall due. We have determined this to be a key audit matter as the availability of cash flows and funds will impact the Group's ability to continue as a going concern. Refer to disclosures included in Note 2.1 and Note 33(g) to the financial statements.	Our audit procedures included, among others, the following: • evaluated management's cash flow forecast prepared based on approved budget on the Group's ability to settle its short term obligations and capital commitments; • checked to the Group's compliance to externally imposed financial covenants and undertakings; • performed scenario analysis to assess the extent of changes to forecasted revenue and costs that would result in inadequate cash flows to fund the Group's operations; • checked to the availability of unutilised credit facilities from financial institutions; • assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Lasseters International Holdings Limited

Report on the Audit of the Financial Statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
Impairment of tangible assets – Spa and Wellness segment	
Management had considered that there were indicators of impairment in Property, plant and equipment ("PPE") and Right-of-use ("ROU") assets of the Group's Spa and Wellness segment which has recorded losses during the financial year ended 30 June 2020 of AUD2,958,000 and cash outflows from operating activities during the financial year ended 30 June 2020 of AUD1,643,000. As a result management had carried out a review of the recoverable amounts of the PPE and ROU assets of the Spa and Wellness segment and recorded full impairment losses on the PPE and ROU during the financial year ended 30 June 2020 of AUD109,000 and AUD947,000 respectively. We have determined impairment of tangible assets – Spa and Wellness segment to be a key audit matter as the management's estimation of the recoverable amount involved significant management's judgement and estimates. Refer to disclosures included in Note 3.2, Note 11 and Note 12 to the financial statements.	Our audit procedures included, among others, the following: • reviewed the management's assessment of indicators of impairment and determination of the recoverable amount; • reviewed and evaluated the management's estimation of the value in use and fair value less costs of disposal of the PPE and ROU assets of the Spa and Wellness segment; • assessed the adequacy of the related disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Lasseters International Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

Auditor's 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 auditor's 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 may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- 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 auditor's 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 auditor's 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 the 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Lasseters International Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditor's 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is William Ng Wee Liang.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
18 September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2020

	Note	Group 2020 AUD'000	2019 AUD'000
Revenue	4	**35,602**	45,295
Consumables		**(3,230)**	(4,064)
Employee benefits expense	5	**(16,811)**	(20,369)
Depreciation expenses		**(6,510)**	(7,025)
Amortisation of right-of-use assets		**(761)**	-
Lease rental		**-**	(286)
Advertising and promotional expenses		**(867)**	(888)
Gaming tax		**(2,454)**	(2,919)
Other operating expenses		**(7,359)**	(8,793)
Impairment in value of property, plant and equipment		**(109)**	-
Impairment in value of right-of-use assets		**(947)**	-
Impairment in value of intangible assets		**-**	(1,604)
Loss allowance on trade and other receivables		**(38)**	-
Finance costs	6	**(3,583)**	(3,318)
Share of losses of joint venture		**(94)**	(43)
Loss before income tax from continuing operations	7	**(7,161)**	(4,014)
Income tax credit/(expense)	8	**714**	(367)
Loss for the financial year from continuing operations		**(6,447)**	(4,381)
Loss for the financial year from discontinued operations	9	**(339)**	(1,025)
Loss for the financial year		**(6,786)**	(5,406)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(Loss)/Gain on revaluation of land and buildings		**(5,258)**	5,496
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(51)**	56
Other comprehensive (loss)/income for the financial year, net of tax		**(5,309)**	5,552
Total comprehensive (loss)/income for the financial year		**(12,095)**	146

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2020

	Note	Group 2020 AUD'000	2019 AUD'000
Loss for the financial year attributable to:			
Owners of the parent		**(6,750)**	(5,374)
Non-controlling interests		**(36)**	(32)
		(6,786)	(5,406)
Total comprehensive (loss)/income for the financial year attributable to:			
Owners of the parent		**(12,080)**	175
Non-controlling interests		**(15)**	(29)
		(12,095)	146
Loss per share attributable to owners of the parent			
- Basic and diluted (AUD cents)	10	**(1.40)**	(1.11)
Loss per share from continuing operations attributable to owners of the parent			
- Basic and diluted (AUD cents)	10	**(1.33)**	(0.90)
Loss per share from discontinued operations attributable to owners of the parent			
- Basic and diluted (AUD cents)	10	**(0.07)**	(0.21)

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	Group 2020 AUD'000	Group 2019 AUD'000	Company 2020 AUD'000	Company 2019 AUD'000
Non-current assets					
Property, plant and equipment	11	**122,611**	137,900	**-**	-
Right-of-use assets	12	**1,730**	-	**-**	-
Intangible assets	13	**-**	-	**-**	-
Investments in subsidiaries	14	**-**	-	**14,309**	14,555
Investment in joint venture	15	**2,098**	1,476	**-**	-
Membership rights	16	**38**	38	**38**	38
		126,477	139,414	**14,347**	14,593
Current assets					
Inventories	17	**541**	578	**-**	-
Trade and other receivables	18	**1,022**	1,386	**11**	2,574
Cash and bank balances	19	**1,071**	1,641	**16**	7
		2,634	3,605	**27**	2,581
Assets classified as held for sale	9	**-**	4,836	**-**	-
		2,634	8,441	**27**	2,581
Less:					
Current liabilities					
Trade and other payables	20	**8,715**	12,319	**3,003**	2,405
Provisions for employee entitlements	21	**1,174**	1,251	**-**	-
Bank borrowings	22	**2,410**	5,618	**-**	-
Lease liabilities/Finance lease payables	23	**1,034**	814	**-**	-
Current income tax payable		**28**	526	**-**	-
		13,361	20,528	**3,003**	2,405
Liabilities classified as held for sale	9	**-**	188	**-**	-
		13,361	20,716	**3,003**	2,405
Net current (liabilities)/assets		**(10,727)**	(12,275)	**(2,976)**	176
Less:					
Non-current liabilities					
Trade and other payables	20	**1,051**	375	**-**	-
Provisions for employee entitlements	21	**191**	161	**-**	-
Bank borrowings	22	**63,636**	61,286	**-**	-
Lease liabilities/Finance lease payables	23	**1,601**	1,060	**-**	-
Deferred tax liabilities	24	**13,821**	16,831	**2**	2
		80,300	79,713	**2**	2
Net assets		**35,450**	47,426	**11,369**	14,767

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	Group 2020 AUD'000	Group 2019 AUD'000	Company 2020 AUD'000	Company 2019 AUD'000
Equity					
Share capital	25	**57,554**	57,554	**57,554**	57,554
Treasury shares	26	**(426)**	(426)	**(426)**	(426)
Capital reserve		**119**	-	**-**	-
Foreign currency translation reserve	27	**(3,512)**	(3,440)	**(1,717)**	(1,717)
Revaluation reserve	28	**46,773**	52,031	**-**	-
Accumulated losses	29	**(65,134)**	(58,384)	**(44,042)**	(40,644)
Equity attributable to owners of the parent		**35,374**	47,335	**11,369**	14,767
Non-controlling interests		**76**	91	**-**	-
Total equity		**35,450**	47,426	**11,369**	14,767

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2020

	Attributable to owners of the parent								
	Share capital AUD'000	Treasury shares AUD'000	Capital reserve AUD'000	Foreign currency translation reserve AUD'000	Revaluation reserve AUD'000	Accumulated losses AUD'000	Total AUD'000	Non-controlling interests AUD'000	Total equity AUD'000
Group									
Balance as at 1.7.2019	**57,554**	**(426)**	**-**	**(3,440)**	**52,031**	**(58,384)**	**47,335**	**91**	**47,426**
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**(6,750)**	**(6,750)**	**(36)**	**(6,786)**
Other comprehensive income for the financial year:									
Exchange differences on translating foreign operations	**-**	**-**	**-**	**(72)**	**-**	**-**	**(72)**	**21**	**(51)**
Loss on revaluation of land and buildings	**-**	**-**	**-**	**-**	**(5,258)**	**-**	**(5,258)**	**-**	**(5,258)**
Total comprehensive income for the financial year	**-**	**-**	**-**	**(72)**	**(5,258)**	**(6,750)**	**(12,080)**	**(15)**	**(12,095)**
Transactions with owners, recognised directly in equity									
Issuance of redeemable non-convertible preference shares	**-**	**-**	**119**	**-**	**-**	**-**	**119**	**-**	**119**
Balance as at 30.6.2020	**57,554**	**(426)**	**119**	**(3,512)**	**46,773**	**(65,134)**	**35,374**	**76**	**35,450**

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2020

	Attributable to owners of the parent							
	Share capital AUD'000	Treasury shares AUD'000	Foreign currency translation reserve AUD'000	Revaluation reserve AUD'000	Accumulated losses AUD'000	Total AUD'000	Non-controlling interests AUD'000	Total equity AUD'000
Group								
Balance as at 1.7.2018	57,554	(426)	(3,493)	46,535	(52,927)	47,243	95	47,338
Loss for the financial year	-	-	-	-	(5,374)	(5,374)	(32)	(5,406)
Other comprehensive income for the financial year:								
Exchange differences on translating foreign operations	-	-	53	-	-	53	3	56
Gain on revaluation of land and buildings	-	-	-	5,496	-	5,496	-	5,496
Total comprehensive income for the financial year	-	-	53	5,496	(5,374)	175	(29)	146
Transactions with owners, recognised directly in equity								
Effects of acquiring non-controlling interests in a subsidiary	-	-	-	-	(83)	(83)	25	(58)
Balance as at 30.6.2019	57,554	(426)	(3,440)	52,031	(58,384)	47,335	91	47,426

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2020

	Share capital AUD'000	Treasury shares AUD'000	Foreign currency translation reserve AUD'000	Accumulated losses AUD'000	Total equity AUD'000
Company					
Balance as at 1.7.2019	**57,554**	**(426)**	**(1,717)**	**(40,644)**	**14,767**
Loss for the financial year, representing total comprehensive loss for the financial year	**-**	**-**	**-**	**(3,398)**	**(3,398)**
Balance as at 30.6.2020	**57,554**	**(426)**	**(1,717)**	**(44,042)**	**11,369**
Balance as at 1.7.2018	57,554	(426)	(1,717)	(25,276)	30,135
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(15,368)	(15,368)
Balance as at 30.6.2019	57,554	(426)	(1,717)	(40,644)	14,767

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2020

	Group	
	2020 AUD'000	**2019 AUD'000**
Operating activities		
Loss before income tax from continuing operations	**(7,161)**	(4,014)
Loss before income tax from discontinued operations	**(339)**	(1,025)
	(7,500)	(5,039)
Adjustments for:		
Depreciation expenses	**6,510**	7,385
Amortisation of right-of-use assets	**761**	-
Impairment in value of property, plant and equipment	**109**	-
Impairment in value of right-of-use assets	**947**	-
Impairment in value of intangible assets	**-**	1,604
Write-down of inventory	**46**	-
Loss allowance on trade and other receivables	**47**	-
Gain on disposal of property, plant and equipment	**(9)**	-
Gain on disposal of assets held for sale	**(9)**	-
Interest expense	**3,581**	3,862
Interest income	**(6)**	-
Share of losses of joint venture	**94**	43
Write back of trade and other payables	**-**	(37)
Operating cash flows before working capital changes	**4,571**	7,818
Working capital changes:		
Inventories	**203**	114
Trade and other receivables	**728**	(115)
Trade and other payables	**(1,769)**	1,055
Cash generated from operations	**3,733**	8,872
Interest received	**5**	-
Interest paid	**(3,581)**	(3,862)
Income tax paid	**(540)**	(1,167)
Net cash (used in)/from operating activities	**(383)**	3,843
Investing activities		
Proceeds from disposal of property, plant and equipment	**23**	-
Proceeds from disposal of assets held for sale	**2,541**	-
Purchase of property, plant and equipment	**(398)**	(238)
Additional investment in a joint venture (Note B)	**(748)**	(1,005)
Advances to a joint venture (Note B)	**(333)**	-
Foreign currency translation adjustment	**(75)**	72
Net cash from/(used in) investing activities	**1,010**	(1,171)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2020

	Group	
	2020 AUD'000	**2019 AUD'000**
Financing activities		
Drawdown of bank borrowings (Note A)	**1,850**	-
Repayment of bank borrowings (Note A)	**(2,000)**	(2,800)
Repayment of finance lease obligations (Note A)	**(1,182)**	(1,131)
Acquisition of non-controlling interests in a subsidiary	**-**	(58)
Proceeds from issuance of redeemable non-convertible preference shares	**838**	-
Foreign currency translation adjustment	**(5)**	9
Net cash used in financing activities	**(499)**	(3,980)
Net change in cash and cash equivalents	**128**	(1,308)
Cash and cash equivalents as at the beginning of the financial year	**23**	1,340
Currency translation adjustment on cash and cash equivalents	**10**	(9)
Cash and cash equivalents as at the end of the financial year (Note 19)	**161**	23

Note A:Reconciliation of liabilities arising from financing activities

			Non cash changes		
	1 July 2019 AUD'000	**Cash flows AUD'000**	**Additions of property, plant and equipment under finance leases AUD'000**	**Foreign exchange differences AUD'000**	**30 June 2020 AUD'000**
Group					
Bank borrowings	**65,286**	**(150)**	**-**	**-**	**65,136**
Lease liabilities	**3,272**	**(1,182)**	**549**	**(4)**	**2,635**

			Non cash changes		
	1 July 2018 AUD'000	**Cash flows AUD'000**	**Additions of property, plant and equipment under finance leases AUD'000**	**Foreign exchange differences AUD'000**	**30 June 2019 AUD'000**
Group					
Bank borrowings	68,086	(2,800)	-	-	65,286
Finance lease payable	2,199	(1,131)	797	9	1,874

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2020

Note B: Reconciliation of assets arising from investing activities

			Non cash changes		
	1 July 2019 AUD'000	Cash flows AUD'000	Additional investment in joint venture AUD'000	Foreign exchange differences AUD'000	30 June 2020 AUD'000
Group					
Amount due from joint venture	**-**	**1,081**	**(748)**	**(25)**	**308**

			Non cash changes		
	1 July 2018 AUD'000	Cash flows AUD'000	Additional investment in joint venture AUD'000	Foreign exchange differences AUD'000	30 June 2019 AUD'000
Group					
Amount due from joint venture	483	1,005	(1,516)	28	-

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

These notes form an integral part of and should be read in conjunction with the financial statements.

1. General corporate information

Lasseters International Holdings Limited (the "Company") (Registration Number: 200402223M) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at 4 Shenton Way, #17-01 SGX Centre II, Singapore 068807. The Company does not have a place of business in Singapore at the date of this report.

The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of an investment holding company and provider of management and technical services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"), including related interpretations of SFRS(I) ("SFRS(I) INT"), and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Australian dollar ("AUD"), which is the functional and presentation currency of the Company and all values are rounded to the nearest thousand ("AUD'000") except when otherwise indicated.

Going Concern

During the financial year ended 30 June 2020, the Group recorded a net loss of AUD6,786,000 and net outflows from operating activities of AUD383,000. Consistent with prior years and due to the cash nature of the Group's core casino business, as at 30 June 2020, the Group has a negative working capital of AUD10,727,000 (30 June 2019: AUD12,275,000). The outbreak of COVID-19 has disrupted the Group's business during the year ended 30 June 2020. The operating environment will continue to be challenging and unpredictable and may require further closures of the Group's operating assets in the future which may impact on the Group's ability to meet its working capital requirements.

However, the Directors of the Company are of the view that the use of the going concern assumption is appropriate in the preparation of the financial statements, given the following factors:

i) The adequacy of funds required to meet its debt obligations and working capital requirements based on a 12 months cash flow forecast of the Group from 1 July 2020. The unutilised banking facilities available to the Group as at 30 June 2020 is disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going Concern (Continued)

ii) Since the reopening of the casino in mid-June 2020 following the shutdown imposed by the Northern Territory ("NT") government (see Note 4), the Group has had strong results in Gaming revenue that exceeded expectations.
iii) Despite the current COVID-19 climate, the Group has some events booked and lined up for the next 12 months and has projected revenue from the Convention Centre from March 2021 onwards.
iv) The NT government has announced 'Territory Tourism Vouchers' given to locals to boost local spending, which are expected to drive Accommodation revenue and Food and beverage revenue of the Group.
v) The Group is in continual discussions with its banks in order to restructure banking facilities in a manner which would support the operational needs of the Group.

In making this determination, the Directors have also given considerable thought to the potential for another nationwide lockdown in Australia that would require closure of the casino, and the success of the response to COVID-19 in Australia with five of the seven mainland states and territories having eliminated community transmission and successfully contained and managed hot spot outbreaks.

With the increased awareness of COVID-19 and the Australian Government's tried and tested methods on how best to manage outbreaks as they occur, the Directors are confident that a repeat of the nationwide restrictions that led to the temporary closure of the casino during the financial year is highly unlikely and the Directors do not believe that a material uncertainty in relation to going concern exists.

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

Changes in accounting policies

New standards, amendments and interpretations effective from 1 July 2019

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore ("ASC") that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies, except as detailed below.

SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases and SFRS(I) INT 4 Determining whether an Arrangement Contains a Lease. SFRS(I) 16 provides a single lessee accounting model which eliminates the distinction between operating and finance leases for lessees. SFRS(I) 16 requires lessee to capitalise all leases on the consolidated statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the right-of-use assets will be amortised and the lease liabilities will be measured at amortised cost. From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies (Continued)

***SFRS(I) 16 Leases* (Continued)**

The Group applied SFRS(I) 16 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening retained earnings as at 1 July 2019 (the "date of initial application"). The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed. The definition of lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 July 2019.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedients:

- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics;
- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on statement of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months;
- Initial direct costs have not been included in the measurement of the right-of-use asset at the date of initial application;
- For the purpose of measuring the right-of-use asset, hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements (such as lease terms) based on circumstances on or after the lease commencement date.

As a lessee, the Group previously classified leases as finance or operating lease based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most leases. For leases with a lease term of 12 months or less, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

On adoption of SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities in relation to land and buildings and equipment, which had previously been classified as operating leases.

Lease liabilities from operating leases under the principles of SFRS(I) 1-17 were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate as at 1 July 2019. The weighted average incremental borrowing rate applied to lease liabilities on 1 July 2019 was 5.0% to 5.15% per annum.

The right-of-use assets were measured as if SFRS(I) 16 being applied from the commencement date of the leases, subject to the practical expedients listed above.

For leases that were classified as finance leases applying SFRS(I) 1-17, the carrying amount of the assets acquired under finance leases and finance lease liabilities at the date of initial application shall be the carrying amount of the right-of-use assets and lease liabilities as at 30 June 2019. Consequently, certain land and buildings and equipment are reclassified and presented under right-of-use assets (Note 12) at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies (Continued)

***SFRS(I) 16 Leases* (Continued)**

The effect of adopting SFRS(I) 16 as at 1 July 2019 was as follows:

	Group Increase/ (decrease) AUD'000
Assets	
Property, plant and equipment	(1,844)
Right-of-use assets	3,214
Trade and other receivables	28
Liabilities	
Finance lease payables	(1,874)
Lease liabilities	3,272

The aggregate lease liabilities recognised in the consolidated statement of financial position as at 1 July 2019 and the Group's operating lease commitment as at 30 June 2019 can be reconciled as follows:

	AUD'000
Operating lease commitment as at 30 June 2019 (Note 31)	8,205
Less: Leases assigned upon disposal of the business assets	(7,194)
Add: Effect of extension options reasonably certain to be exercised	543
	1,554
Effect of discounting using the incremental borrowing rate as at date of initial application	(156)
	1,398
Finance lease liabilities recognised at 30 June 2019	1,874
Lease liabilities as at 1 July 2019	3,272

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 Business combinations

Business combinations from 1 July 2009

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 July 2009 (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

Business combinations before 1 July 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Gaming revenue (Continued)

Revenue from gaming represents net house takings, which is the aggregate of wins and losses arising from gaming play, and is reported after deduction of goods and services tax and loyalty points awarded to customers. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis in exchange for points earned under the Group's loyalty programs. The Group allocates the estimated fair value of the points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of loyalty program points for Group-owned products and services, the stand-alone selling price of each product or service is allocated to the respective revenue type.

After allocation to the other revenue types for products and services provided to patrons as part of a gaming contract, the residual amount is recorded to casino revenue as soon as the wager is settled. As all wagers have similar characteristics, the Group accounts for its gaming contracts collectively on a portfolio basis versus an individual basis.

Food and beverages, accommodation, convention centre, gym and spa and wellness

Revenue from food and beverages is recognised when goods are delivered or services are rendered. Revenue from accommodation is recognised over time during the period of stay. Revenue from gym membership were recognised on a monthly basis over the contract term. Revenue from convention centre and spa and wellness is recognised when the related services is rendered or the event is held. Deposits for future accommodation occupancy, convention space, food and beverage services contracts, gym or spa and wellness services contracts are recorded as contract liabilities until the revenue recognition criteria are met. Cancellation fees are recognised upon cancellation by the customer and are included in other revenue.

Others

Revenue from the sale of goods is recognised at point in time when the goods are delivered to customers.

2.5 Government subsidies

Government subsidies are recognised at the fair value in profit or loss where there is reasonable assurance that the subsidies will be received and all attaching conditions have been complied with.

When the subsidies relate to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the expenditure that it is intended to compensate.

2.6 Employee benefits

Provisions are made for employee entitlements arising from services rendered by employees to the end of the financial year. Employee entitlements expected to be settled within one financial year together with entitlements arising from salaries and wages, annual leave and sick leave which will be settled within one financial year have been measured at their nominal amount. Other employee entitlements payable later than one financial year have been measured at the present value of the estimated future cash flows to be made for those entitlements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.6 Employee benefits (Continued)

Defined contribution plans and employee superannuation funds

Contributions to defined contribution plans and employee superannuation funds are recognised as compensation expenses in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the financial year.

2.7 Leases

Accounting policy for leases on or after 1 July 2019

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.7 Leases (Continued)

***Accounting policy for leases on or after 1 July 2019* (Continued)**

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset.

The right-of-use assets are amortised based on the following bases:

	Years
Leased premises	3 to 5
Equipment	2.5 to 20

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.15 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.7 Leases (Continued)

***Accounting policy for leases on or after 1 July 2019* (Continued)**

Subsequent measurement (continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

Accounting policy for leases on or before 1 July 2019

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction or production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see Note 2.8).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.7 Leases (Continued)

***Accounting policy for leases on or before 1 July 2019* (Continued)**

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.9 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and the subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.9 Taxes (Continued)

Deferred tax (continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and joint venture, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.10 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.10 Foreign currency transactions and translation (Continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Australian dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.11 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Freehold land is stated at its revalued amount, being the fair value at the date of revaluation. Freehold buildings/licensed casino are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold land and freehold buildings/licensed casino are revalued with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the financial year.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.11 Property, plant and equipment (Continued)

All other plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the property, plant and equipment before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is charged so as to write off the depreciable amounts of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Freehold buildings/licensed casino	22 to 50
Plant and equipment	1.5 to 10
Leased assets and leasehold improvements	2.5 to 20

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the financial year.

Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.12 Intangible assets

Patents and trademarks

Patents and trademarks represent costs associated with the protection of the name "LASSETERS", "The Golden Door" and the stylised "L" used by the Group. Patents and trademarks are stated at cost less impairment losses, if any. No amortisation is provided on the cost of patents and trademarks as the management believes that the patents and trademarks have indefinite useful life arising from continuous renewals of registration.

Product development costs

Research costs are expensed as incurred.

Costs incurred in developing systems and delivery mechanisms to facilitate the generation of revenues are brought to account as product development costs. An intangible asset arising from product development costs is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

The carrying value of the product development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the financial year.

2.13 Membership rights

Membership rights held on a long term basis are stated at cost less impairment losses, if any, based on a review at the end of each financial year.

2.14 Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries (Note 2.2). The Group classifies its interests in joint arrangements as joint ventures, where the Group has rights to only the net assets of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

Joint ventures are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in the joint venture.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.14 Joint arrangements (Continued)

Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group has incurred legal or constructive obligations to make good those losses or made payments on behalf of the joint venture.

Where the Group transacts with a joint venture, unrealised profits are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2.15 Impairment of tangible and intangible assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Inventories

Consumables

Inventories are stated at the lower of cost and net realisable value. The cost of consumables comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost is determined on a "first-in, first-out" basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made for obsolete, slow-moving and defective inventories.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.17 Financial instruments

The Group recognises a financial asset or a financial liability in its statements of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets as amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for financial assets measured at amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables and amount due from subsidiaries are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments and Goods and Services Tax ("GST") recoverable) and cash and bank balances in the statements of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.17 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial guarantee contracts.

Trade and other payables

Trade and other payables (excluding contract liabilities, gaming tax, payroll tax, superannuation and GST payable) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing liabilities

Interest-bearing liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.8).

Interest-bearing liabilities are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.17 Financial instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantee to banks for borrowings of a subsidiary and joint venture. These guarantees qualify as financial guarantees because the Company is required to reimburse the banks if the subsidiary and joint venture breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
(b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents include bank overdrafts. In the statements of financial position, bank overdrafts are presented within bank borrowings under current liabilities.

2.19 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.19 Non-current assets (or disposal groups) held for sale and discontinued operations (Continued)

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

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

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and chief executive decision makers who make strategic decisions.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the entity's accounting policies

In the process of applying the Group's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

Impairment of investments in subsidiaries and investment in joint venture

The Group and the Company follow the guidance of SFRS(I) 1-36 on determining when an investment in subsidiary and joint venture is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the recoverable amount of an investment in subsidiary and joint venture is less than its carrying amount and the financial health of the near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses, within the next financial year, are discussed below.

(i) Revaluation of freehold land and freehold buildings/licensed casino

The Group carries freehold land and freehold buildings/licensed casino at valuation, with changes in fair value recognised in other comprehensive income. The Group engages external valuation experts to assess the fair value of these assets. The fair values of freehold land and freehold buildings/licensed casino are determined by independent valuation experts using recognised valuation techniques. The key assumptions used to determine the fair value of these freehold land and freehold buildings/licensed casino are provided in Note 11 to the financial statements. The carrying amounts of the freehold land and freehold buildings/licensed casino as at 30 June 2020 are AUD114,964,000 (2019: AUD127,015,000).

(ii) Depreciation of property, plant and equipment

Other than freehold land and construction-in-progress, the Group's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management estimates the useful lives of these assets to be within 1.5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment (excluding freehold land and construction-in-progress) as at 30 June 2020 was AUD112,606,000 (2019: AUD127,895,000).

(iii) Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iii) Income taxes (Continued)

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. As at 30 June 2020, the carrying amounts of the Group's current income tax payable and deferred tax liabilities were AUD28,000 (2019: AUD526,000) and AUD13,821,000 (2019: AUD16,831,000) respectively.

(iv) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowings rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The weighted average incremental borrowing rate applied to lease liabilities as at 30 June 2020 ranged from 4.55% to 6.07% per annum. The carrying amount of lease liabilities as at 30 June 2020 was AUD2,635,000.

(v) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment or reversal of impairment of all non-financial assets at each reporting date. Intangible assets with indefinite useful life are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. All non-financial assets are tested for reversal of impairment when there are indicators that previously recognised impairment losses may no longer exist or may have decreased. When assessing impairment, management determines the recoverable amount of an asset or cash generating unit, which is the higher of its fair value less costs of disposal and its value in use. Management may need to estimate the expected future cash flows from the asset or cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows.

During the current financial year, the management carried out a review of the recoverable amount of the plant and equipment and right-of-use assets in the Spa and Wellness segment, and recorded an impairment loss of AUD109,000 and AUD947,000 respectively. The carrying amounts of the Group's property, plant and equipment and right-of-use assets are set out in Notes 11 to 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

4. Revenue

	Group	
	2020 AUD'000	**2019 AUD'000**
At a point in time		
Gaming	**16,707**	21,526
Food and beverages	**7,283**	9,601
Convention centre	**1,903**	2,845
Spa and wellness	**512**	635
Others	**1,734**	827
	28,139	35,434
Over time		
Accommodation	**5,733**	7,787
Gym	**1,730**	2,074
	7,463	9,861
Total	**35,602**	45,295

The Group has disaggregated revenue to reflect the operations of the business segments identified by management. The segment information together with other information utilised for the purpose of management monitoring of operating results of the segment, which includes the geographical markets are disclosed in Note 32 to the financial statements.

During the current financial year ended 30 June 2020, due to directives by the Northern Territory government relating to the COVID-19 pandemic, there were shutdowns to business venues including casinos, restaurants, gyms and entertainment venues from a period of mid-March to mid-June. The shutdown resulted in a decline in revenue for the last quarter of the financial year, and contributed to an overall decline in revenue for the Group against the previous financial year.

Contract assets and contract liabilities

The Group provides various products and services to its customers. There is often a timing difference between the cash payment by the customers and recognition of revenue for each of the associated performance obligations, resulting in contract assets or contract liabilities. The Group generally has the following types of assets/liabilities associated with contracts with customers:

	Group	
	2020 AUD'000	**2019 AUD'000**
Contract assets		
Accommodation	**-**	41
Contract liabilities		
Customer deposits	**320**	1,713
Membership fees received in advance	**19**	29
Spa vouchers liabilities	**50**	116
Loyalty program liability	**13**	6
	402	1,864

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

4. Revenue (Continued)

Contract assets and contract liabilities (Continued)

a) Significant changes in contract assets and contract liabilities

	Group			
	Contract assets		Contract liabilities	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Balance as at the beginning of the financial year	**41**	30	**(1,864)**	(1,587)
Amount recognised as revenue	**-**	-	**8,029**	14,958
Excess of revenue recognised over cash (or rights to cash)	**5,732**	7,787	**-**	-
Cash received in advance of performance and not recognised as revenue	**-**	-	**(6,567)**	(15,235)
Transfers to trade receivables	**(5,773)**	(7,776)	**-**	-
Balance as at the end of the financial year	**-**	41	**(402)**	(1,864)

b) Remaining performance obligations

The vast majority of the Group's contracts are for the delivery of goods and services are within the next 12 months. Hence, the allocation of aggregate transaction price to the remaining performance obligations and explanation on when the Group expects the revenue to be recognised are not disclosed.

5. Employee benefits expense

	Group	
	2020 AUD'000	2019 AUD'000
Wages, salaries and bonuses	**13,668**	16,657
Superannuation	**1,138**	1,430
Payroll tax	**697**	943
Provision made for employee entitlements	**858**	797
Staff amenities	**302**	398
Contributions to defined contribution plans	**47**	34
Other social expenses and employee benefits	**101**	110
	16,811	20,369

These expenses include the amounts shown as key management personnel remuneration in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

6. Finance costs

	Group	
	2020 AUD'000	**2019 AUD'000**
Interest expenses on		
- commercial bills	**3,234**	3,110
- lease liabilities/finance lease payables	**147**	109
- bank overdrafts	**123**	86
- others	**77**	10
	3,581	3,315
Bank charges	**2**	3
	3,583	3,318

7. Loss before income tax

The above is arrived at after charging/(crediting):

	Group	
	2020 AUD'000	**2019 AUD'000**
Audit fees		
- auditor of the Company	**88**	83
- other auditors (member firms of BDO International Limited)	**173**	115
Foreign exchange loss, net	**10**	129
Insurance expense	**475**	501
Non-audit fees to auditors of the subsidiaries	**51**	32
Short-term lease expenses, exclude villa lease rental	**174**	346
Printing and stationery	**132**	196
Professional fees and related services	**620**	885
Repairs and maintenance	**678**	763
Requisites and supplies	**527**	627
Sponsorships and complimentaries	**510**	552
Subscription	**267**	272
Telecommunication	**118**	164
Travel agent commission	**392**	423
Travelling and transportation	**117**	130
Utilities	**2,175**	2,683
Write back of trade and other payables	**-**	(37)
Gain on disposal of property, plant and equipment	**(9)**	-
Government subsidies	**(1,059)**	-

There is no non-audit fees paid or payable to the auditor of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

8. Income tax (credit)/expense

	Group	
	2020 AUD'000	**2019 AUD'000**
Current income tax		
- current financial year	**65**	1,103
- overprovision in prior financial years	**(88)**	(60)
	(23)	1,043
Withholding tax		
- current financial year	**66**	33
Deferred tax (Note 24)		
- current financial year	**(845)**	(808)
- underprovision in prior financial years	**88**	99
	(757)	(709)
Income tax from continuing operations	**(714)**	367
Reconciliation of effective tax rate		
Loss before income tax from continuing operations	**(7,161)**	(4,014)
Loss before income tax from discontinued operations (Note 9)	**(339)**	(1,025)
	(7,500)	(5,039)
Share of losses of joint venture	**94**	43
	(7,406)	(4,996)
Income tax calculated at Australia's statutory tax rate of 30%	**(2,222)**	(1,499)
Effect of different tax rates in other countries	**221**	246
Effect of income not subject to tax	**(19)**	(4)
Effect of expenses not deductible for income tax purposes	**123**	624
Withholding tax	**66**	33
Overprovision of current income tax in prior financial years	**(88)**	(60)
Underprovision of deferred tax in prior financial years	**88**	99
Deferred tax assets not recognised in profit or loss	**1,117**	928
Total income tax (credit)/expense recognised in profit or loss	**(714)**	367

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

9. Discontinued operations and non-current assets (or disposal group) classified as held for sale

On 28 June 2019, The Golden Door Health Retreat – Elysia Pty Limited ("TGDE") entered into two sale and purchase agreements with Hunter Valley (CL) Management Pty Ltd ("HVCLM") and Hunter Valley (CL) Leases Pty Ltd ("HVCLL") respectively for the disposal of the freehold land and property, and the business assets of TGDE respectively for an aggregate purchase consideration of AUD5,000,000.

On 29 July 2019, TGDE entered into a Deed of Novation with HVCLM and HVCLL to novate the rights and obligations of HVCLL in the sale and purchase agreement for the disposal of the business assets to HVCLM. The disposal was completed on 29 July 2019.

Pursuant to SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations, the assets and liabilities related to TGDE were classified as a non-current assets (or disposal group) held for sale on the statements of financial position and the results from the Spa and Wellness - Elysia business have been presented separately on the consolidated statement of comprehensive income as "Loss for the financial year from discontinued operations". The operations were part of the Group's Spa and Wellness segment.

The results of the discontinued operations are as follows:

	Group	
	2020 AUD'000	**2019 AUD'000**
Revenue	**616**	7,845
Consumables	**(88)**	(767)
Employee benefits expense	**(318)**	(4,111)
Depreciation expenses	**-**	(360)
Villa lease rental	**(102)**	(1,285)
Advertising and promotional expenses	**(21)**	(288)
Other operating expenses	**(380)**	(1,512)
Loss allowance on trade and other receivables	**(9)**	-
Gain on disposal of assets held for sale	**9**	-
Write-down of inventory	**(46)**	-
Finance costs	**-**	(547)
Loss before income tax from discontinued operations	**(339)**	(1,025)
Income tax	**-**	-
Loss for the financial year from discontinued operations	**(339)**	(1,025)
Loss for the financial year attributable to:		
Owners of the parent	**(339)**	(1,025)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

9. Discontinued operations and non-current assets (or disposal group) classified as held for sale (Continued)

The classes of assets and liabilities in non-current assets (or disposal group) classified as held for sale as at 30 June 2019 were as follows:

	2019 AUD'000
Assets	
Property, plant and equipment	4,624
Inventories	212
	4,836
Liabilities	
Trade and other payables	188

Freehold property included in property, plant and equipment above was as follows:

Location	Description	Existing use	Gross land area (sqm)	Gross floor area (sqm)
Lot 34, Thompsons Road Pokolbin New South Wales 2320 Australia	The Golden Door Health Retreat Elysia	Spa and wellness	182,100	6,000

As at end of the previous financial year, the above freehold property was pledged for bank borrowings granted to the Group (Note 22). An Amendment Deed was signed on 25 July 2019 to release the registered mortgage over the freehold land and building of The Golden Door Health Retreat – Elysia Pty Limited with effect from the completion date of the disposal and the ownership of the property was transferred to HVCLM upon the completion of the disposal.

As at 30 June 2019, the assets and liabilities classified as held for sale as disclosed above were denominated in Australian dollar.

The cash flows of the discontinued operations included in the consolidated statement of cash flows are set out below:

	Group	
	2020 AUD'000	2019 AUD'000
Cash flows used in discontinued operations		
Operating activities	**(2,972)**	388
Investing activities	**2,542**	(116)
Net change in cash and cash equivalents	**(430)**	272

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

10. Loss per share

The calculations for loss per share are based on:

	2020			2019		
	Continuing operations AUD'000	**Discontinued operations AUD'000**	**Total AUD'000**	**Continuing operations AUD'000**	**Discontinued operations AUD'000**	**Total AUD'000**
Group						
Numerator						
Loss for the financial year attributable to owners of the parent	**(6,411)**	**(339)**	**(6,750)**	(4,349)	(1,025)	(5,374)
Denominator						
Number of fully-paid ordinary shares in issue during the financial year applicable to loss per share ('000)	**483,171**	**483,171**	**483,171**	483,171	483,171	483,171
Loss per share (cents)						
Basic and diluted	**(1.33)**	**(0.07)**	**(1.40)**	(0.90)	(0.21)	(1.11)

Basic loss per share is calculated by dividing the net loss for the financial year attributable to owners of the parent by the total number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment

	Freehold land AUD'000	Freehold buildings/ licensed casino AUD'000	Plant and equipment AUD'000	Leased assets and leasehold improvements AUD'000	Construction-in-progress AUD'000	Total AUD'000
Group						
Cost or valuation						
Balance as at 1.7.2019	**10,000**	**118,666**	**23,673**	**3,018**	**5**	**155,362**
Adoption of SFRS(I) 16	**-**	**-**	**-**	**(3,018)**	**-**	**(3,018)**
Balance as at 1.7.2019 (restated)	**10,000**	**118,666**	**23,673**	**-**	**5**	**152,344**
Revaluation	**-**	**(7,511)**	**-**	**-**	**-**	**(7,511)**
Revaluation adjustments	**-**	**(4,620)**	**-**	**-**	**-**	**(4,620)**
Additions	**-**	**80**	**318**	**-**	**-**	**398**
Written off	**-**	**-**	**(1,456)**	**-**	**-**	**(1,456)**
Disposal	**-**	**-**	**(100)**	**-**	**-**	**(100)**
Reclassification from right-of-use assets at end of lease	**-**	**-**	**837**	**-**	**-**	**837**
Currency translation differences	**-**	**-**	**5**	**-**	**-**	**5**
Balance as at 30.6.2020	**10,000**	**106,615**	**23,277**	**-**	**5**	**139,897**
Representing:						
Cost	**-**	**1,480**	**23,277**	**-**	**5**	**24,762**
Valuation	**10,000**	**105,135**	**-**	**-**	**-**	**115,135**
	10,000	**106,615**	**23,277**	**-**	**5**	**139,897**

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment (Continued)

	Freehold land AUD'000	Freehold buildings/ licensed casino AUD'000	Plant and equipment AUD'000	Leased assets and leasehold improvements AUD'000	Construction-in-progress AUD'000	Total AUD'000
Group						
Accumulated depreciation						
Balance as at 1.7.2019	-	**1,165**	**14,637**	**1,174**	-	**16,976**
Adoption of SFRS(I) 16	-	-	-	**(1,174)**	-	**(1,174)**
Balance as at 1.7.2019 (restated)	-	**1,165**	**14,637**	-	-	**15,802**
Revaluation adjustments	-	**(4,620)**	-	-	-	**(4,620)**
Depreciation for the financial year	-	**4,620**	**1,890**	-	-	**6,510**
Written off	-	-	**(1,456)**	-	-	**(1,456)**
Disposal	-	-	**(86)**	-	-	**(86)**
Reclassification from right-of-use assets at end of lease	-	-	**536**	-	-	**536**
Currency translation differences	-	-	**5**	-	-	**5**
Balance as at 30.6.2020	-	**1,165**	**15,526**	-	-	**16,691**
Allowance for impairment in value						
Balance as at 1.7.2019	-	**486**	-	-	-	**486**
Impairment loss	-	-	**109**	-	-	**109**
Balance as at 30.6.2020	-	**486**	**109**	-	-	**595**
Carrying amount						
Balance as at 30.6.2020	**10,000**	**104,964**	**7,642**	-	**5**	**122,611**

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment (Continued)

	Freehold land AUD'000	Freehold buildings/ licensed casino AUD'000	Plant and equipment AUD'000	Leased assets and leasehold improvements AUD'000	Construction-in-progress AUD'000	Total AUD'000
Group						
Cost or valuation						
Balance as at 1.7.2018	10,000	156,934	26,673	5,145	6	198,758
Transfer to assets held for sale	-	(9,843)	(1,962)	-	-	(11,805)
Revaluation	-	7,852	-	-	-	7,852
Revaluation adjustments	-	(36,114)	-	-	-	(36,114)
Additions	-	109	409	478	39	1,035
Written off	-	(274)	(4,100)	-	-	(4,374)
Reclassification	-	2	2,657	(2,619)	(40)	-
Currency translation differences	-	-	(4)	14	-	10
Balance as at 30.6.2019	10,000	118,666	23,673	3,018	5	155,362
Representing:						
Cost	-	-	23,673	3,018	5	26,696
Valuation	10,000	118,666	-	-	-	128,666
	10,000	118,666	23,673	3,018	5	155,362

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment (Continued)

	Freehold land AUD'000	Freehold buildings/ licensed casino AUD'000	Plant and equipment AUD'000	Leased assets and leasehold improvements AUD'000	Construction-in-progress AUD'000	Total AUD'000
Group						
Accumulated depreciation						
Balance as at 1.7.2018	-	34,023	16,250	3,116	-	53,389
Transfer to assets held for sale	-	(2,032)	(1,279)	-	-	(3,311)
Revaluation adjustments	-	(36,114)	-	-	-	(36,114)
Depreciation for the financial year	-	5,562	1,524	299	-	7,385
Written off	-	(274)	(4,100)	-	-	(4,374)
Reclassification	-	-	2,247	(2,247)	-	-
Currency translation differences	-	-	(5)	6	-	1
Balance as at 30.6.2019	-	1,165	14,637	1,174	-	16,976
Allowance for impairment in value						
Balance as at 1.7.2018	-	4,081	275	-	-	4,356
Transfer to assets held for sale	-	(3,595)	(275)	-	-	(3,870)
Balance as at 30.6.2019	-	486	-	-	-	486
Carrying amount						
Balance as at 30.6.2019	10,000	117,015	9,036	1,844	5	137,900

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment (Continued)

	Plant and equipment AUD'000
Company	
Cost	
Balance as at 1.7.2019 and 30.6.2020	**27**
Accumulated depreciation	
Balance as at 1.7.2019 and 30.6.2020	**27**
Carrying amount	
Balance as at 30.6.2020	**-**
Cost	
Balance as at 1.7.2018 and 30.6.2019	27
Accumulated depreciation	
Balance as at 1.7.2018 and 30.6.2019	27
Carrying amount	
Balance as at 30.6.2019	-

In the current financial year, the Group carried out a review of the recoverable amount of the plant and equipment in the Spa and Wellness segment due to the losses reported by the segment and the expectation of a lack of future positive cash flows from the assets. The recoverable amount was determined based on the fair value less costs of disposal which has been assessed to be negligible due to the absence of comparable market as at 30 June 2020. Accordingly, the management recorded a full impairment loss of AUD109,000 on the assets.

The Group's freehold land and freehold buildings/licensed casino were valued on 13 July 2020 by CBRE Valuations Pty Limited, an independent valuer in Australia. Valuations were made on a going concern basis, for the purpose of first mortgage security. The market value is derived using the discounted cash flow method by forecasting future cash flows for a period of up to 5 years, using a discount rate of 10% (2019: 11%) and terminal yield of 9% (2019: 9%) in order to calculate the present value of those cash flows. The higher the discount rate, the lower is the market value. The higher the terminal yield, the higher is the market value. The valuations conform to International Valuation Standards and is based on the assets' highest and best use, which is in line with their actual use. The resulting fair value of the freehold land and freehold buildings/licensed casino is considered level 3 recurring fair value measurement. The revaluation deficit of AUD7.51 million (2019: surplus of AUD7.85 million) net of applicable deferred income taxes of AUD2.25 million (2019: AUD2.36 million) was debited/(credited) to an asset revaluation reserve in shareholders' equity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

11. Property, plant and equipment (Continued)

If the Group's freehold land and freehold buildings/licensed casino were measured using the cost model, the carrying amounts would be as follows:

	Group			
	Freehold land		Freehold buildings/ licensed casino	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Cost	**3,685**	3,685	**71,673**	71,611
Accumulated depreciation	**-**	-	**(20,733)**	(18,230)
Carrying amount	**3,685**	3,685	**50,940**	53,381

As at the end of the financial year, the carrying amounts of property, plant and equipment which have been mortgaged as security for the bank facilities as set out in Note 22 to the financial statements were as follows:

	Group	
	2020 AUD'000	2019 AUD'000
Freehold land	**10,000**	10,000
Freehold buildings/licensed casino	**104,964**	117,015
Plant and equipment	**7,543**	8,928
	122,507	135,943

As at 30 June 2019, the carrying amount of leased assets and leasehold improvements which were acquired under finance lease agreements was AUD1,844,000. The leased assets and leasehold improvements have been reclassified to right-of-use assets as at 1 July 2019.

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial year comprised:

	Group	
	2020 AUD'000	2019 AUD'000
Additions of property, plant and equipment	**398**	1,035
Acquired under finance lease agreements	**-**	(797)
Cash payments to acquire property, plant and equipment	**398**	238

As at 30 June 2020, the Group's freehold property was as follows:

Location	Description	Existing use	Gross land area (sqm)	Gross floor area (sqm)
93 Barrett Drive Alice Springs Northern Territory 0870 Australia	Lasseters Hotel Casino	Hotel and casino	79,600	22,608

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

12. Right-of-use assets

	Leased premises AUD'000	Equipment AUD'000	Total AUD'000
Group			
Cost			
- Reclassified from property, plant and equipment (Note 11)	**-**	**1,844**	**1,844**
- Adoption of SFRS(I) 16 (Note 2.1)	**1,370**	**-**	**1,370**
Balance as at 1.7.2019	**1,370**	**1,844**	**3,214**
Additions	**-**	**521**	**521**
Amortisation charge	**(315)**	**(446)**	**(761)**
Impairment in value of right-of-use assets	**(947)**	**-**	**(947)**
Reclassification to property, plant and equipment at end of lease	**-**	**(301)**	**(301)**
Currency translation differences	**2**	**2**	**4**
Balance as at 30.6.2020	**110**	**1,620**	**1,730**

In the current financial year, the management carried out a review of the recoverable amount of the right-of-use assets in the Spa and Wellness segment due to the losses reported by the segment and the expectation of a lack of future positive cash flows from the assets. The recoverable amount was determined based on the fair value less costs of disposal which has been assessed to be negligible due to the absence of comparable market rental to be used as a reference for the 'fair value less costs of disposal'. Accordingly, the management recorded a full impairment loss of AUD947,000 on the right-of-use assets in the Spa and Wellness segment.

As at 30 June 2020, equipment with carrying amounts of AUD1,620,000 have been mortgaged as security for the lease liabilities of AUD1,525,000. The assets will revert to the lessors in the event of default by the Group.

As at 30 June 2020, the Group's interests in land and buildings were as follows:

Location	Description	Existing use	Gross land area (sqm)	Gross floor area (sqm)
93 Barrett Drive Alice Springs Northern Territory 0870 Australia	Convention Centre	Convention Centre	20 years from 2002	4,852
73 Seaworld Drive Main Beach QLD 4217 Australia	The Golden Door Spa and Club at Mirage	Spa and health club	20 years from 2003	5,534

On 14 August 2020, The Golden Door Pty Limited has entered into a Deed of Surrender to surrender the Group's leasehold interests in The Golden Door Spa and Club at Mirage on 18 September 2020, subsequent to the financial year. Following the Deed of Surrender, the right-of-use assets and corresponding lease liabilities relating to The Golden Door Spa and Club at Mirage would be derecognised, resulting in a gain on modification of lease term of AUD964,000 to be recognised in the financial year ending 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

13. Intangible assets

	Patents and trademarks AUD'000	Product development costs AUD'000	Total AUD'000
Group			
Cost			
Balance as at 1.7.2019 and 30.6.2020	**1,591**	**57**	**1,648**
Allowance for impairment in value			
Balance as at 1.7.2019 and 30.6.2020	**1,591**	**57**	**1,648**
Carrying amount			
Balance as at 30.6.2020	**-**	**-**	**-**
Cost			
Balance as at 1.7.2018 and 30.6.2019	1,591	57	1,648
Allowance for impairment in value			
Balance as at 1.7.2018	-	44	44
Impairment for the financial year	1,591	13	1,604
Balance as at 30.6.2019	1,591	57	1,648
Carrying amount			
Balance as at 30.6.2019	-	-	-

In the previous financial year, subsequent to the disposal as disclosed in Note 9, the management were of the opinion that there will be no future cash flows anticipated from its patents and trademarks ("The Golden Door" trademarks). The management explored the possibility to dispose The Golden Door trademarks and there was no comparable market to be used as reference for the fair value. As such, the management assessed the fair value of The Golden Door trademarks as at 30 June 2019 to be negligible. Accordingly, the management recorded a full impairment loss on The Golden Door trademarks in the previous financial year.

14. Investments in subsidiaries

	Company	
	2020 AUD'000	2019 AUD'000
Unquoted equity shares in corporations, at cost	**26,202**	26,202
Less: Allowance for impairment in value	**(11,893)**	(11,647)
	14,309	14,555

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For the Financial Year Ended 30 June 2020

14. Investments in subsidiaries (Continued)

Movements in the allowance for impairment in value are as follows:

	Company	
	2020 AUD'000	2019 AUD'000
Balance as at the beginning of the financial year	**11,647**	11,647
Impairment loss during the financial year	**246**	-
Balance as at the end of the financial year	**11,893**	11,647

During the financial year, the Company carried out a review on the adequacy of the allowance for impairment in value of investments in subsidiaries. Based on the review, an additional allowance of AUD246,000 has been recognised in profit or loss of the Company. The Company estimated the recoverable amount of the investments in subsidiaries based on its fair value less costs to sell, determined primarily based on the underlying net assets amount of the susbsidiaries, as the carrying value of net assets approximately fair value.

During the current financial year, a subsidiary of the Company, Lasseters Properties Sdn. Bhd. issued 98 new ordinary shares for a cash consideration of AUD37 (equivalent to RM98), of which 78 new ordinary shares were subscribed by the Company for a cash consideration of AUD29 (equivalent to RM78). As a result of the above, the Company's interest in the subsidiary reduced from 100% to 80%.

Particulars of the subsidiaries are as follows:

	Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
	Held by the Company						
[1]	Lasseters Investments Pte. Ltd.	Singapore	Investment holding company	**100**	100	**-**	-
[1]	Lasseters International Pte. Ltd.	Singapore	Investment holding company	**100**	100	**-**	-
[1]	Lasseters Interactive Gaming Pte. Ltd.	Singapore	Investment holding company	**100**	100	**-**	-
[1]	Lasseters Resorts Pte. Ltd.	Singapore	Investment holding company	**100**	100	**-**	-
[2]	Lasseters Holdings Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-

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For the Financial Year Ended 30 June 2020

14. Investments in subsidiaries (Continued)

Particulars of the subsidiaries are as follows: (Continued)

	Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
	Held by the Company						
[3]	Lasseters Management (M) Sdn. Bhd.	Malaysia	Provision of management services	**100**	100	**-**	-
[3]	Merry Palms Sdn. Bhd.	Malaysia	Property development	**80**	80	**20**	20
[3]	Lasseters Properties Sdn. Bhd.	Malaysia	Properties and investment holding company	**80**	100	**20**	-
	Held by Lasseters International Pte. Ltd.						
[2]	Lasseters Seaford Hotel Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-
	Held by Lasseters Holdings Pty Ltd						
[2]	Ford Dynasty Pty Ltd	Australia	Casino operations, provision of hotel accommodation, convention centre, food and beverages business	**100**	100	**-**	-
[2]	Lasseters Health Club Pty Ltd	Australia	Management and operator of a health club	**100**	100	**-**	-
	Held by Lasseters Resorts Pte. Ltd.						
[2]	Lasseters CLG Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

14. Investments in subsidiaries (Continued)

Particulars of the subsidiaries are as follows: (Continued)

	Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
	Held by Lasseters Seaford Hotel Pty Ltd						
[5]	Lasseters Valley Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-
	Held by Lasseters CLG Pty Ltd						
[2],[4]	Cypress Lakes Group Pty Limited	Australia	Properties holding, golf course and club and the Golden Door spa and wellness	**100**	100	**-**	-
	Held by Cypress Lakes Group Pty Limited						
[2]	Cypress Lakes Golf and Country Club Pty Limited	Australia	Provision of golf course and club management	**100**	100	**-**	-
[2]	Cypress Lakes Property Pty Limited	Australia	Properties holding, provision of hotel, accommodation, food and beverages business	**100**	100	**-**	-
[2]	The Golden Door Pty Limited	Australia	Provision of spa and wellness services	**100**	100	**-**	-
[2]	The Golden Door Holdings Pty Ltd	Australia	Provision of spa and wellness services	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

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14. Investments in subsidiaries (Continued)

Particulars of the subsidiaries are as follows: (Continued)

	Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
	Held by The Golden Door Pty Limited						
[2]	The Golden Door Health Retreat – Elysia Pty Limited	Australia	Provision of spa and wellness services	**100**	100	**-**	-
[2]	The Golden Door Health Retreat – Willow Vale Pty Ltd	Australia	Provision of day spa services	**100**	100	**-**	-

[1] Audited by BDO LLP, Singapore, a member firm of BDO International Limited.

[2] Audited by BDO Audit Pty Ltd, Chartered Accountants, Brisbane, Australia, a member firm of BDO International Limited.

[3] Audited by BDO PLT, Chartered Accountants, Malaysia, a member firm of BDO International Limited.

[4] During the financial year ended 30 June 2019, the Group privatised Cypress Lakes Group Limited ("CLGL") by way of selective capital reduction which involved the cancellation of all shares in CLGL, other than those held by Lasseters CLG Pty Ltd, in return for a payment of AUD0.0001 per share totalling approximately AUD13,000. The privatisation was completed on 15 February 2019 and CLGL was converted from a public company to a proprietary company and renamed as Cypress Lakes Group Pty Limited.

[5] This subsidiary is not considered to be a significant subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

14. Investments in subsidiaries (Continued)

Non-controlling interests

Merry Palms Sdn. Bhd., a 80% owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the subsidiary that has material NCI, before intra-group eliminations and together with amounts attributed to NCI, is presented below:

	Merry Palms Sdn. Bhd.	
	2020 AUD'000	**2019 AUD'000**
Revenue	**-**	37
Loss before income tax	**(122)**	(119)
Income tax	**-**	(39)
Loss for the financial year	**(122)**	(158)
Loss allocated to NCI	**(24)**	(32)
Other comprehensive income allocated to NCI	**-**	3
Total comprehensive loss allocated to NCI	**(24)**	(29)
Cash flows from/(used in) operating activities	**7**	(152)
Cash flows used in financing activities	**(5)**	(222)
Net cash inflows/(outflows)	**2**	(374)

	2020 AUD'000	**2019 AUD'000**
Assets:		
Non-current assets	**1,909**	-
Current assets	**79**	2,058
	1,988	2,058
Liabilities:		
Non-current liabilities	**(48)**	-
Current liabilities	**(1,605)**	(1,601)
	(1,653)	(1,601)
Net assets	**335**	457
Accumulated non-controlling interests	**67**	91

NOTES TO THE FINANCIAL STATEMENTS

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15. Investment in joint venture

	Group	
	2020 AUD'000	**2019 AUD'000**
Unquoted equity shares, at cost	**183**	183
Redeemable non-convertible non-cumulative preference shares ("RNCNCPS")	**2,098**	1,350
Share of post-acquisition results	**(153)**	(59)
Share of foreign currency translation reserve	**(30)**	2
	2,098	1,476

Details of the joint venture are as follows:

	Name of company	**Country of incorporation and principal place of business**	**Principal activities**	**Proportion of ownership interest held by the Group**	
				2020 %	**2019 %**
[1]	Super Ace Resources Sdn. Bhd.	Malaysia	Property development, properties and investments holding	**44.2**	55.0

[1] Audited by BDO PLT, Chartered Accountants, Malaysia, a member firm of BDO International Limited.

During the current financial year, the Group's interest in Lasseters Properties Sdn. Bhd. reduced from 100% to 80% (Note 14). As a result, the Group's effective interest in Super Ace Resources Sdn. Bhd. reduced from 55.0% to 44.2%.

The summarised financial information of joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2020 AUD'000	**2019 AUD'000**
Results		
Revenue	**-**	-
Loss for the financial year	**(94)**	(160)
Assets:		
Non-current assets	**17,742**	10,294
Current assets	**14**	159
	17,756	10,453
Liabilities:		
Current liabilities	**(4,762)**	(2,819)
Non-current liabilities	**(11,816)**	(6,834)
	(16,578)	(9,653)
Net assets	**1,178**	800

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

15. Investment in joint venture (Continued)

Reconciliation of net assets to carrying amount:

	Group	
	2020 AUD'000	**2019 AUD'000**
Net assets	**1,178**	800
Interest in joint venture	**44.2%**	55.0%
Group's share of net assets	**521**	440
Add: Intragroup adjustments	**1,577**	1,036
Carrying amount of investment in joint venture	**2,098**	1,476

For the financial year ended 30 June 2020, the Group has not recognised losses relating to Super Ace Resources Sdn. Bhd. ("SARSB") where its share of losses exceeds the carrying amount of its investment in SARSB.

As at 30 June 2020, the Company has given a corporate guarantee of AUD18,840,000 (equivalent to RM55,500,000) (2019: AUD19,126,376 (equivalent to RM55,500,000)) to a bank for banking facilities granted to SARSB.

During the financial year ended 30 June 2020, 3.9 million RNCNCPS were issued for AUD1,361,000 (equivalent to RM3,900,000) by SARSB. The consideration was satisfied by the capitalisation of shareholders' advances due from SARSB to the respective shareholders and fresh cash injection. The holders of the RNCNCPS may redeem in whole or in part thereof by giving not less than one month's prior written notice to SARSB of its intention to do so, when the joint venture is financially able to facilitate the redemption. A non-cumulative 3% dividend per annum is payable on the RNCNCPS, subject to profitability and cash availability of SARSB.

As a result of the above, the Group subscribed to additional 2,145,000 of RNCNCPS in SARSB by way of capitalisation of amount due from joint venture and fresh cash injections totalling AUD748,000 (equivalent to RM2,145,000).

16. Membership rights

	Group and Company	
	2020 AUD'000	**2019 AUD'000**
Membership rights, at cost	**38**	38

As at the end of the financial year, the membership rights were held in trust by a key management personnel of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

17. Inventories

	Group	
	2020 AUD'000	**2019 AUD'000**
Consumables	**541**	578

The cost of consumables recognised as an expense in profit or loss amounted to AUD3,318,000 (2019: AUD4,831,000).

Consumables of AUD541,000 (2019: AUD578,000) of the Group are held as security by way of floating charge for the bank facilities as set out in Note 22 to the financial statements.

18. Trade and other receivables

	Group		Company	
	2020 AUD'000	**2019 AUD'000**	**2020 AUD'000**	**2019 AUD'000**
Trade receivables	**138**	818	**-**	-
Less: Loss allowance	**(14)**	-	**-**	-
	124	818	**-**	-
Other receivables				
- third parties	**486**	96	**11**	3
- joint venture	**308**	-	**-**	-
	794	96	**11**	3
Less: Loss allowance	**(33)**	-	**-**	-
	761	96	**11**	3
Contract assets (Note 4)	**-**	41	**-**	-
GST recoverable	**20**	95	**-**	-
Prepayments	**117**	336	**-**	-
Due from subsidiaries				
- trade	**-**	-	**488**	489
- non-trade	**-**	-	**12,393**	13,399
- loans	**-**	-	**20,137**	20,052
Less: Loss allowance	**-**	-	**(33,018)**	(31,369)
	-	-	**-**	2,571
	1,022	1,386	**11**	2,574

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

18. Trade and other receivables (Continued)

Movements in loss allowance for trade and other receivables (credit impaired) were as follows:

	Group	
	2020 AUD'000	**2019 AUD'000**
Balance as at the beginning of the financial year	**-**	-
Loss allowance recognised during the financial year	**47**	-
Balance as at the end of the financial year	**47**	-

Movements in loss allowance for amount due from subsidiaries (credit impaired) were as follows:

	Company	
	2020 AUD'000	**2019 AUD'000**
Balance as at the beginning of the financial year	**31,369**	17,722
Loss allowance recognised during the financial year	**1,649**	13,647
Balance as at the end of the financial year	**33,018**	31,369

Trade receivables are non-interest bearing and generally on 15 to 90 days' credit terms.

Other receivables comprise mainly receivables for operating subsidy for the convention centre, refundable deposits paid and operating floats.

Trade and other receivables of AUD543,000 (2019: AUD1,018,000) of the Group are held as security by way of floating charge for the bank facilities as set out in Note 22 to the financial statements.

The amount due from joint venture is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The amounts due from subsidiaries which are trade in nature represent management and technical services fee receivable which are unsecured and have a credit term of 7 days. Amounts outstanding for more than 7 days bear interest at 3% per annum. During the financial year, interest income of AUD15,000 (2019: AUD15,000) was waived by the Company.

The amounts due from subsidiaries which are non-trade in nature and the loans to subsidiaries are unsecured, bear interest at 3% per annum and are repayable on demand. During the financial year, interest income of AUD967,000 (2019: AUD983,000) was waived by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

18. Trade and other receivables (Continued)

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Australian dollar	**655**	1,342	**11**	2,574
Singapore dollar	**12**	9	**-**	-
Malaysian ringgit	**355**	35	**-**	-
	1,022	1,386	**11**	2,574

19. Cash and cash equivalents

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Cash and bank balances as per statements of financial position	**1,071**	1,641	**16**	7
Bank overdrafts (Note 22)	**(910)**	(1,618)	**-**	-
Cash and cash equivalents as per consolidated statement of cash flows	**161**	23	**16**	7

Cash and bank balances of approximately AUD970,000 (2019: AUD1,161,000) bear interest from nil to 1.0% (2019: 0.01% to 1.5%) per annum.

Cash and bank balances of AUD994,000 (2019: AUD1,613,000) of the Group are held as security by way of floating charge for the bank facilities as set out in Note 22 to the financial statements.

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Australian dollar	**1,002**	1,621	**1**	2
Singapore dollar	**14**	5	**15**	5
Malaysian ringgit	**55**	15	**-**	-
	1,071	1,641	**16**	7

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

20. Trade and other payables

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Current liabilities				
Trade payables	**2,127**	2,799	**-**	-
Due to subsidiaries				
- trade	**-**	-	**898**	1,369
- non-trade	**-**	-	**1,456**	577
	-	-	**2,354**	1,946
Contract liabilities (Note 4)	**402**	1,864	**-**	-
Other payables and accruals	**2,839**	4,165	**649**	459
Gaming tax payables	**327**	229	**-**	-
GST payable	**251**	572	**-**	-
Due to related parties (non-trade)	**1,179**	1,139	**-**	-
Due to Directors (non-trade)	**1,528**	1,551	**-**	-
Redeemable non-convertible preference shares ("RNCPS")	**62**	-	**-**	-
	8,715	12,319	**3,003**	2,405
Non-current liabilities				
Other payables	**336**	375	**-**	-
Redeemable non-convertible preference shares ("RNCPS")	**715**	-	**-**	-
	9,766	12,694	**3,003**	2,405

Trade payables are non-interest bearing and are normally settled between 7 to 45 days.

The trade amount due to a subsidiary represent management fee payable which are unsecured and have a credit term of 7 days. Amounts outstanding for more than 7 days bear interest at 7.5% per annum.

The non-trade amount due to a subsidiary, related parties and Directors are unsecured, interest-free and repayable on demand.

Other payables and accruals comprise mainly payables for payroll taxes, superannuation contributions and other operating expenses.

Redeemable non-convertible preference shares ("RNCPS")

During the financial year ended 30 June 2020, a subsidiary of the Company, Lasseters Properties Sdn. Bhd. ("LPSB"), entered into a subscription agreement with a subscriber to issue 2.3 million RNCPS at an aggregate price of AUD838,000 (equivalent to RM2,300,000). As at 30 June 2020, the RNCPS were issued and fully paid.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

20. Trade and other payables (Continued)

Redeemable non-convertible preference shares ("RNCPS") (Continued)

The RNCPS shall be redeemed in the following manner:

(i) The first tranche of 1.3 million RNCPS shall be redeemed in full at redemption price of AUD0.4 (equivalent to RM1.1913) per share on 2 March 2022; and

(ii) The second tranche of 1.0 million RNCPS shall be redeemed at the redemption price of AUD0.4 (equivalent to RM1.1913) per share in the following manner:-

(a) 90,000 RNCPS at the end of the 6th month;
(b) 90,000 RNCPS at the end of the 12th month;
(c) 90,000 RNCPS at the end of the 18th month; and
(d) the balance to be fully redeemed at the end of the 24th month;

from the date of the first issuance of the second tranche of RNCPS or any date as may be mutually agreed by the shareholders of LPSB.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Australian dollar	**5,169**	9,116	**1,456**	577
Singapore dollar	**737**	518	**649**	459
Malaysian ringgit	**3,860**	3,060	**898**	1,369
	9,766	12,694	**3,003**	2,405

21. Provisions for employee entitlements

	Group	
	2020 AUD'000	2019 AUD'000
Current liabilities	**1,174**	1,251
Non-current liabilities	**191**	161
	1,365	1,412

Movements in provisions for employee entitlements during the financial year were as follows:

	Group	
	2020 AUD'000	2019 AUD'000
Balance as at the beginning of the financial year	**1,412**	1,467
Provision made during the financial year	**891**	1,102
Provision utilised	**(642)**	(888)
Reversal during the financial year	**(296)**	(269)
Balance as at the end of the financial year	**1,365**	1,412

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

22. Bank borrowings

	Group	
	2020 AUD'000	2019 AUD'000
Current liabilities		
Bank overdrafts (Note 19)	**910**	1,618
Commercial bills	**1,500**	4,000
	2,410	5,618
Non-current liabilities		
Commercial bills	**63,636**	61,286
	66,046	66,904

Non-current bank borrowings are repayable as follows:

	Group	
	2020 AUD'000	2019 AUD'000
In the second year	**63,636**	61,286

As at the end of the financial year, the Group has approximately AUD2,235,000 (30 June 2019: Nil) of bank borrowings available but unutilised.

As at 30 June 2020, bank overdrafts bear interest from 7.81% to 8.42% (2019: 8.81% to 10.07%) per annum and are repayable on demand.

As at 30 June 2020, commercial bills bear interest from 3.10% to 6.10% (2019: 4.20% to 6.10%) per annum and are repayable on a quarterly basis.

As at the end of the financial year, the bank borrowings of the Group were secured by:

Bank overdrafts:

(a) fixed and floating charges over the present and future assets of Merry Palms Sdn. Bhd.; and

(b) corporate guarantee for AUD509,189 equivalent or RM1,500,000 (2019: AUD516,929 equivalent or RM1,500,000) executed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

22. Bank borrowings (Continued)

Commercial bills:

(a) fixed and floating charges over the all the assets of Ford Dynasty Pty Ltd, Lasseters Holdings Pty Ltd, Cypress Lakes Group Pty Limited, Cypress Lakes Golf and Country Club Pty Limited, Cypress Lakes Property Pty Limited, The Golden Door Pty Limited, The Golden Door Holdings Pty Ltd, The Golden Door Health Retreat – Willow Vale Pty Ltd, The Golden Door Health Retreat – Elysia Pty Limited, Lasseters CLG Pty Ltd and Lasseters Health Club Pty Ltd;

(b) registered mortgage over the freehold land and buildings of Ford Dynasty Pty Ltd;

(c) letter of subordination of intra-group loans from the Company, Lasseters Investments Pte. Ltd., Lasseters Seaford Hotel Pty Ltd, Ford Dynasty Pty Ltd and Lasseters CLG Pty Ltd; and

(d) interlocking guarantee and indemnity between Ford Dynasty Pty Ltd, Lasseters Holdings Pty Ltd, Cypress Lakes Group Pty Limited, Cypress Lakes Golf and Country Club Pty Limited, Cypress Lakes Property Pty Limited, The Golden Door Pty Limited, The Golden Door Holdings Pty Ltd, The Golden Door Health Retreat – Willow Vale Pty Ltd, The Golden Door Health Retreat – Elysia Pty Limited, Lasseters CLG Pty Ltd and Lasseters Health Club Pty Ltd.

Commercial bills of AUD31,912,500 (2019: AUD36,313,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The interest rates of these floating rate loans are repriced at intervals of 1 to 6 months.

The carrying amounts of current bank borrowings approximate their fair values. The fair values of non-current bank borrowings are as follows:

	Group	
	2020 AUD'000	**2019 AUD'000**
Commercial bills	**60,419**	57,766

The management estimates the fair value of the bank borrowings from a discounted cash flow analysis, using discount rates based on prevailing available market borrowing rates at the end of the financial year and this is considered to be level 2 of the fair value hierarchy.

Bank borrowings are denominated in the following currencies:

	Group	
	2020 AUD'000	**2019 AUD'000**
Australian dollar	**65,539**	66,390
Malaysian ringgit	**507**	514
	66,046	66,904

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

23. Lease liabilities/Finance lease payables

	Leased premises AUD'000	Equipment AUD'000	Total AUD'000
Group			
Balance as at 1.7.2019			
- Finance lease liabilities under SFRS(I) 1-17	**-**	**1,874**	**1,874**
- Adoption of SFRS(I) 16 (Note 2.1)	**1,398**	**-**	**1,398**
	1,398	**1,874**	**3,272**
Additions	**-**	**549**	**549**
Interest expense (Note 6)	**63**	**84**	**147**
Lease payments			
- Principal portion	**(288)**	**(894)**	**(1,182)**
- Interest portion	**(63)**	**(84)**	**(147)**
Currency translation differences	**-**	**(4)**	**(4)**
Balance as at 30.6.2020	**1,110**	**1,525**	**2,635**

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Group	
	2020 AUD'000	2019 AUD'000
Contractual undiscounted cash flows		
- Not later than a year	**1,141**	894
- Between one and two years	**1,514**	609
- Between two and five years	**172**	512
	2,827	2,015
Less: Future interest expense	**(192)**	(141)
Present value of lease liabilities	**2,635**	1,874
Presented in consolidated statement of financial position		
- Current	**1,034**	814
- Non-current	**1,601**	1,060
	2,635	1,874

The lease liabilities comprised mainly leases of leased premises and equipment. All leases were on a fixed repayment basis and no arrangement had been entered into for contingent rental payments.

As at 30 June 2020, the average incremental borrowing rate applied (Note 2.1) and average discount rate implicit in the lease were ranged from 5.00% to 5.15% per annum and 4.55% to 6.07% per annum respectively. As at 30 June 2019, the Group leased certain equipment under finance lease and the average discount rate implicit in the finance lease ranged from 4.55% to 6.07% per annum.

The Group's obligations under leases of AUD1,525,000 (2019: AUD1,874,000) was secured over certain equipment (Note 11 and 12), which will revert to the lessors in the event of default by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

23. Lease liabilities/Finance lease payables (Continued)

The lease liabilities are denominated in the following currencies:

	Group	
	2020 AUD'000	**2019 AUD'000**
Australian dollar	**2,272**	1,595
Malaysian ringgit	**363**	279
	2,635	1,874

24. Deferred tax liabilities

	Group		Company	
	2020 AUD'000	**2019 AUD'000**	**2020 AUD'000**	**2019 AUD'000**
Balance as at the beginning of the financial year	**16,831**	15,184	**2**	2
Credited to profit or loss (Note 8)	**(757)**	(709)	**-**	-
Deferred tax on revaluation (deficit)/surplus (Note 28)	**(2,253)**	2,356	**-**	-
Balance as at the end of the financial year	**13,821**	16,831	**2**	2

Deferred tax assets/(liabilities) are attributable to the following:

	Group		Company	
	2020 AUD'000	**2019 AUD'000**	**2020 AUD'000**	**2019 AUD'000**
Provisions for employee entitlements	**302**	336	**-**	-
Accruals	**284**	227	**-**	-
Revaluation surplus	**(25,783)**	(28,036)	**-**	-
Property, plant and equipment	**4,134**	3,402	**-**	-
Capital loss	**7,246**	7,246	**-**	-
Other temporary differences	**(4)**	(6)	**(2)**	(2)
	(13,821)	(16,831)	**(2)**	(2)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

24. Deferred tax liabilities (Continued)

	Group	
	2020 AUD'000	**2019 AUD'000**
Unrecognised deferred tax assets		
Balance as at the beginning of the financial year	**19,158**	18,128
Deferred tax not recognised	**1,117**	928
Adjustments	**393**	102
Balance as at the end of the financial year	**20,668**	19,158

	Group	
	2020 AUD'000	**2019 AUD'000**
Unrecognised deferred tax assets arise as a result of:		
Unutilised tax losses	**17,529**	16,239
Unabsorbed capital allowances	**3,139**	2,919
	20,668	19,158

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at the end of the financial year, the Group had unutilised tax losses of approximately AUD62,931,000 (2019: AUD57,527,000) and unabsorbed capital allowances of approximately AUD10,472,000 (2019: AUD9,703,000) available for offset against future taxable profits subject to the agreement by the tax authorities and provisions of the tax legislations of the respective countries in which the Group operates. No deferred tax assets have been recognised in respect of the unutilised tax losses and unabsorbed capital allowances as the availability of sufficient future taxable profits to realise these future benefits is uncertain. Accordingly, these deferred tax assets have not been recognised in the consolidated financial statements of the Group in accordance with the accounting policy in Note 2.9 to the financial statements. These tax losses and capital allowances have no expiry date subject to the conditions imposed by law.

25. Share capital

	Group and Company			
	2020		2019	
	SGD'000	**AUD'000**	**SGD'000**	**AUD'000**
Issued and fully-paid				
Balance as at the beginning and end of the financial year	**66,437**	**57,554**	66,437	57,554

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

26. Treasury shares

	Group and Company			
	2020	2019	2020	2019
	Number of ordinary shares		AUD'000	AUD'000
Issued and fully-paid				
Balance as at the beginning and end of the financial year	**3,548,000**	3,548,000	**426**	426

The Company acquired 3,548,000 of its own shares through purchases on the Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was AUD426,000 and has been deducted from equity attributable to owners of the parent.

27. Foreign currency translation reserve

Group

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the foreign operations where functional currencies are different from that of the Group's presentation currency and is non-distributable.

Company

Foreign currency translation reserve of the Company represents foreign currency translation differences arising from the change in presentation currency of the Company in the previous financial years.

Movements in foreign currency translation reserve are shown in the statements of changes in equity.

28. Revaluation reserve

	Group	
	2020	2019
	AUD'000	AUD'000
Non-distributable		
Balance as at the beginning of the financial year	**52,031**	46,535
(Deficit)/Surplus on revaluation of land and buildings	**(7,511)**	7,852
Deferred tax on revaluation deficit/(surplus)	**2,253**	(2,356)
Balance as at the end of the financial year	**46,773**	52,031

Revaluation reserve pertains to the revaluation of freehold land and buildings/licensed casino.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

29. Accumulated losses

Included in accumulated losses of the Group and the Company is accumulated bargain purchase of approximately AUD25,237,000 which is non-distributable. Movements in accumulated losses during the financial year were shown in statements of changes in equity.

30. Significant related party transactions

Compensation of key management personnel

The remuneration of Directors and other members of key management personnel of the Group and of the Company during the financial year were as follows:

	2020 AUD'000	2019 AUD'000
Group		
Directors' fees	**280**	225
Short-term employee benefits	**2,036**	2,085
Post-employment benefits	**90**	108
	2,406	2,418
Company		
Directors' fees	**172**	117
Short-term employee benefits	**1,015**	981
Post-employment benefits	**8**	11
	1,195	1,109

The above includes the following remuneration to the Directors of the Company and of the subsidiaries:

	2020 AUD'000	2019 AUD'000
Group		
Directors of the Company		
Directors' fee	**280**	225
Short-term employee benefits	**387**	387
Post-employment benefits	**8**	11
	675	623
Company		
Directors of the Company		
Directors' fee	**172**	117
Short-term employee benefits	**387**	387
Post-employment benefits	**8**	11
	567	515

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

31. Commitments

Operating lease commitments

As at 30 June 2019, non-cancellable operating lease commitments for rental payable for office premises and spas were as follows:

	Group 2019 AUD'000
Not later than one year	1,678
Later than one year and not later than five years	6,527
	8,205

The above operating lease commitments are based on existing rental rates. The operating lease agreements provide for periodic revision of such rates in the future. Leases are negotiated and rentals are fixed for an average terms of 2 to 20 years.

Certain operating leases have an option to renew at prevailing market rates at the time of renewal.

Included in the operating lease commitments as at 30 June 2019 are AUD7,194,000 relating to The Golden Door Health Retreat-Elysia Pty Limited where the leases are assigned to Hunter Valley (CL) Leases Pty Ltd in the current financial year (Note 9).

32. Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers (Note 2.21).

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Australia and Malaysia. All these locations are engaged in the casino, spa and wellness and property development.

The Group has three reportable segments being "Casino", "Spa and Wellness" and "Property Development".

The Casino segment offers gaming facilities, accommodation, a convention centre, food and beverages outlets, bars, commercial gym and spa.

The Spa and Wellness segment offers spa and wellness programs, gym and retail outlets.

The Property Development segment involves in property investment and management, property and hospitality development.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

	Australia		Malaysia			
	Casino AUD'000	Spa and wellness AUD'000	Property development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
2020						
Revenue						
Revenue from external customers	**34,930**	**644**	**-**	**28**	**-**	**35,602**
Inter-segment revenues	**-**	**-**	**-**	**875**	**(875)**	**-**
Total revenue from continuing operations	**34,930**	**644**	**-**	**903**	**(875)**	**35,602**
Total revenue from discontinued operations						**616**
Total revenue						**36,218**
Results						
Segment results	**(4,908)**	**(1,532)**	**(71)**	**(3,668)**	**6,695**	**(3,484)**
Finance costs	**(2,386)**	**(1,075)**	**(51)**	**(75)**	**4**	**(3,583)**
Loss before income tax	**(7,294)**	**(2,607)**	**(122)**	**(3,743)**	**6,699**	**(7,067)**
Share of losses of joint venture						**(94)**
Income tax credit						**714**
Loss for the financial year from continuing operations						**(6,447)**
Loss for the financial year from discontinued operations						**(339)**
Non-controlling interests						**36**
Loss attributable to owners of the parent						**(6,750)**

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

	Australia		Malaysia			
	Casino AUD'000	Spa and wellness AUD'000	Property development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
2020						
Significant non-cash items						
Continuing operations						
Depreciation expenses	**6,473**	**24**	**-**	**13**	**-**	**6,510**
Amortisation of right-of-use assets	**339**	**265**	**33**	**128**	**(4)**	**761**
Gain on disposal of property, plant and equipment	**(9)**	**-**	**-**	**-**	**-**	**(9)**
Impairment in value of property, plant and equipment	**-**	**109**	**-**	**-**	**-**	**109**
Impairment in value of right-of-use assets	**-**	**947**	**-**	**-**	**-**	**947**
Impairment in value of investment in subsidiary	**-**	**-**	**-**	**246**	**(246)**	**-**
Loss allowance on intercompany receivables	**-**	**-**	**-**	**1,652**	**(1,652)**	**-**
Loss allowance on trade and other receivables	**-**	**38**	**-**	**-**	**-**	**38**
Provision for financial guarantee contract	**4,756**	**-**	**-**	**-**	**(4,756)**	**-**
Discontinued operations						
Loss allowance on trade and other receivables	**-**	**9**	**-**	**-**	**-**	**9**
Gain on disposal of assets held for sale	**-**	**(9)**	**-**	**-**	**-**	**(9)**
Impairment in value of inventory	**-**	**46**	**-**	**-**	**-**	**46**
Capital expenditures						
Property, plant and equipment						
- continuing operations	**394**	**-**	**-**	**4**	**-**	**398**

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

	Australia		Malaysia			
	Casino AUD'000	Spa and wellness AUD'000	Property development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
2020						
Segment assets	**127,082**	**169**	**1,987**	**6,960**	**(7,087)**	**129,111**
Total assets						**129,111**
Segment liabilities	**53,479**	**41,799**	**1,653**	**42,353**	**(59,472)**	**79,812**
Current income tax payable						**28**
Deferred tax liabilities						**13,821**
Total liabilities						**93,661**

	Australia		Malaysia			
	Casino AUD'000	Spa and wellness AUD'000	Property development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
2019						
Revenue						
Revenue from external customers	44,486	753	37	19	-	45,295
Inter-segment revenues	-	-	-	708	(708)	-
Total revenue from continuing operations	44,486	753	37	727	(708)	45,295
Total revenue from discontinued operations						7,845
Total revenue						53,140
Results						
Segment results	(10,421)	(2,235)	(80)	(26,697)	38,780	(653)
Finance costs	(2,714)	(552)	(38)	(14)	-	(3,318)
Loss before income tax	(13,135)	(2,787)	(118)	(26,711)	38,780	(3,971)
Share of losses of joint venture						(43)
Income tax expense						(367)
Loss for the financial year from continuing operations						(4,381)
Loss for the financial year from discontinued operations						(1,025)
Non-controlling interests						32
Loss attributable to owners of the parent						(5,374)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

	Australia		Malaysia			
	Casino AUD'000	Spa and wellness AUD'000	Property development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
2019						
Significant non-cash items						
Continuing operations						
Depreciation expenses	6,891	26	-	108	-	7,025
Impairment in value of intangible assets	-	1,604	-	-	-	1,604
Impairment in value of investment in subsidiary	-	-	-	5,690	(5,690)	-
Loss allowance on intercompany receivables	-	-	-	19,080	(19,080)	-
Provision for financial guarantee contract	14,120	-	-	-	(14,120)	-
Discontinued operations						
Depreciation expenses	-	360	-	-	-	360
Capital expenditures						
Property, plant and equipment						
- continuing operations	872	-	-	47	-	919
- discontinued operations	-	116	-	-	-	116
2019						
Segment assets	140,287	990	2,058	8,670	(8,986)	143,019
Assets classified as held for sale						4,836
Total assets						147,855
Segment liabilities	56,183	44,322	1,578	40,522	(59,721)	82,884
Current income tax payable						526
Deferred tax liabilities						16,831
Liabilities classified as held for sale						188
Total liabilities						100,429

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

Services information

	Gaming AUD'000	Accommodation AUD'000	Food and beverages AUD'000	Spa and wellness AUD'000	Convention centre AUD'000	Property development AUD'000	Others AUD'000	Consolidated AUD'000
2020								
Revenue from external customers – continuing operations	**16,707**	**5,733**	**7,283**	**512**	**1,903**	**-**	**3,464**	**35,602**
Revenue from external customers – discontinued operations								**616**
								36,218
2019								
Revenue from external customers – continuing operations	21,526	7,787	9,601	635	2,845	-	2,901	45,295
Revenue from external customers – discontinued operations								7,845
								53,140

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

32. Segment reporting (Continued)

Geographical information

	Australia AUD'000	Malaysia AUD'000	Consolidated AUD'000
2020			
Revenue from external customers			
– continuing operations	**35,575**	**27**	**35,602**
– discontinued operations			**616**
			36,218
2019			
Revenue from external customers			
– continuing operations	45,238	57	45,295
– discontinued operations			7,845
			53,140

The revenue information above is based on the location of the customers.

Location of non-current assets

	Australia AUD'000	Malaysia AUD'000	Consolidated AUD'000
2020			
Non-current assets	**124,090**	**2,387**	**126,477**
2019			
Non-current assets	137,645	1,769	139,414

Non-current assets consist of property, plant and equipment, right-of-use assets, investment in joint venture and membership rights.

33. Financial instruments, financial risk and capital management

The Group's activities expose it to financial risks (including credit risk, foreign currency risks, interest rate risks and liquidity risk) arising in the normal course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management continually monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(a) Financial instruments

The following sets out the financial instruments at the end of financial year:

	Company		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Financial assets				
Trade and other receivables*	**885**	955	**11**	2,574
Cash and bank balances	**1,071**	1,641	**16**	7
Financial assets at amortised cost	**1,956**	2,596	**27**	2,581
Financial liabilities				
Trade and other payables**	**8,339**	9,243	**3,003**	2,405
Bank borrowings - secured	**66,046**	66,904	**-**	-
Lease liabilities/Finance lease payables	**2,635**	1,874	**-**	-
Financial liabilities at amortised cost	**77,020**	78,021	**3,003**	2,405

* Excluded prepayments and GST recoverable.

** Excluded contract liabilities, gaming tax, payroll tax, superannuation and GST payable.

(b) 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.

The Group's and the Company's main class of financial assets that are subject to credit risk are trade and other receivables and cash and bank balances.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amount each of financial asset in the statement of financial position except as follows:

	Company	
	2020 AUD'000	2019 AUD'000
Corporate guarantees provided to banking facilities of a subsidiary and joint venture	**9,924**	5,610

For the corporate guarantee issued, the Company has assessed that the subsidiary and joint venture have sufficient financial capabilities to meet its contractual cash flows obligation in the near future. Hence, the Company does not expect any material loss allowance under 12-month expected credit loss model.

The Group and the Company have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group and the Company do not require collateral in respect of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(b) Credit risk (Continued)

Trade receivables

The Group's exposure to credit risk from trade receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group limits its exposure to credit risk by adopting the policy of dealing only with customers of good credit history and obtaining sufficient security where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limit that is approved by the responsible officer based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the responsible officer.

The Group does not have any significant credit exposures to any single counterparty or any group of counterparties having similar characteristics.

The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance using lifetime Expected Credit Loss ("ECL") model. The Group determines the ECL based on historical credit loss experience and past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group are in the view that these customers are either active and or have a good track record and established creditworthiness with the Group. Therefore, the ECL on the trade receivables is assessed to be insignificant, other than the receivables that are credit impaired as disclosed in Note 18 to the financial statements.

Other receivables from third parties and joint venture

For other receivables from third parties and joint venture, the Group and the Company have taken into account information that it has available internally about these counterparties' past, current and expected operating performance and cash flow position. The Group and the Company monitor and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective counterparties, by considering their performance, any default in external debts, sufficiency of liquid assets and cash to repay their debts, and availability of recovery options.

Based on the assessment, the Group and the Company have determined that the credit risk for these assets has not increased significantly since their initial recognition, and accordingly, these assets have been measured based on 12-month expected credit loss model. At the reporting date, the Group and the Company did not expect any significant credit losses from non-performance by the counterparties, other than the receivables that are credit impaired as disclosed in Note 18 to the financial statements.

Amounts due from subsidiaries

For amount due from subsidiaries, the Company has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Company monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance and any default in external debts.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(b) Credit risk (Continued)

Amounts due from subsidiaries (Continued)

Based on the assessment, the risk of default is considered to be high as these subsidiaries are in net current liabilities position and incur continuing losses which led to a significant increase in credit risk on these receivables. Hence, these receivables are assessed to be credit impaired, requiring the recognition of lifetime expected credit losses as disclosed in Note 18.

Cash and bank balances

The Group and the Company held cash and bank balances of AUD1,071,000 and AUD16,000 respectively as at 30 June 2020 (2019: AUD1,641,000 and AUD7,000 respectively). The cash and bank balances are held with banks, which are rated A3 to Aa3, based on Moody's ratings.

Expected credit loss on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and bank balances was negligible.

(c) Foreign currency risks

The Group and the Company incur foreign currency risk on transactions and balances that are denominated in currencies other than the entity's functional currency. The currency giving rise to this risk are Australian dollar ("AUD"), Singapore dollar ("SGD") and Malaysian ringgit ("MYR"). Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level and the Group does not hold or issue derivative financial instruments for speculative purposes.

At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies were as follows:

	Assets		Liabilities	
	2020 AUD'000	**2019 AUD'000**	**2020 AUD'000**	**2019 AUD'000**
Group				
AUD	**-**	-	**955**	824
SGD	**26**	10	**748**	714
MYR	**119**	121	**898**	1,369
Company				
SGD	**26**	8	**486**	459
MYR	**-**	-	**898**	1,369

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(c) Foreign currency risks (Continued)

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the entities. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the financial year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's loss.

If the relevant foreign currency weakens by 10% against the functional currency, the profit or loss of the Group and of the Company will increase by the amounts as below.

	Group		Company	
	2020 AUD'000	2019 AUD'000	2020 AUD'000	2019 AUD'000
Australian dollar	**96**	82	**-**	-
Singapore dollar	**72**	70	**46**	45
Malaysian ringgit	**78**	125	**90**	137

If the relevant foreign currency strengthens by 10% against the functional currency, would have had the equal but opposite effect on the above currencies to the amounts shown above.

(d) Interest rate risks

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to bank borrowings and bank overdrafts with financial institutions. The Group maintains an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis points change in the interest rates from the end of the financial year, with all variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(d) Interest rate risks (Continued)

Interest rate sensitivity analysis (Continued)

If the interest rate increases/decreases by 1%, profit or loss of the Group will decrease/increase by:

	Group	
	2020 AUD'000	**2019 AUD'000**
Bank overdrafts	**9**	16
Bank borrowings	**332**	290
	341	306

The profit or loss of the Company is not affected by changes in interest rates because the Company has no interest bearing liabilities.

(e) Liquidity risks

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and bank balances to meet their working capital requirements. Short-term funding is obtained from overdraft facilities from banks and finance leases from financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or pay. The table includes both interest and principal cash flows. As at end of the financial year, the Group has no derivative financial liabilities.

	Effective interest rates	**Less than 1 year AUD'000**	**1 to 2 years AUD'000**	**2 to 5 years AUD'000**	**Total AUD'000**
Group					
Financial liabilities					
2020					
Trade and other payables**	**-**	**7,288**	**1,051**	**-**	**8,339**
Bank borrowings	**3.10% - 6.10%**	**4,463**	**64,960**	**-**	**69,423**
Bank overdrafts	**7.81% - 8.42%**	**983**	**-**	**-**	**983**
Lease liabilities	**4.55% - 6.07%**	**1,141**	**1,514**	**172**	**2,827**
		13,875	**67,525**	**172**	**81,572**

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(e) Liquidity risks (Continued)

	Effective interest rates	Less than 1 year AUD'000	1 to 2 years AUD'000	2 to 5 years AUD'000	Total AUD'000
Group					
Financial liabilities					
2019					
Trade and other payables**	-	8,868	375	-	9,243
Bank borrowings	4.20% - 6.10%	7,424	62,767	-	70,191
Bank overdrafts	8.81% - 10.07%	1,775	-	-	1,775
Lease liabilities	4.55% - 6.07%	894	609	512	2,015
		18,961	63,751	512	83,224

** Excluded contract liabilities, gaming tax, payroll tax, superannuation and GST payable.

	Effective interest rates	Less than 1 year AUD'000	1 to 2 years AUD'000	2 to 5 years AUD'000	Total AUD'000
Company					
Financial liabilities					
2020					
Trade and other payables	**7.5%**	**3,003**	**-**	**-**	**3,003**
Financial guarantee contracts	**-**	**9,924**	**-**	**-**	**9,924**
		12,927	**-**	**-**	**12,927**
2019					
Trade and other payables	7.5%	2,405	-	-	2,405
Financial guarantee contracts	-	5,610	-	-	5,610
		8,015	-	-	8,015

The effective interest rates and repayment terms of the bank borrowings, overdrafts and lease liabilities are disclosed in Notes 22 and 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(e) Liquidity risks (Continued)

The Company has given corporate guarantees to banks in respect of banking facilities granted to a subsidiary and joint venture. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary or joint venture fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. As at 30 June 2020, the total banking facilities granted to a subsidiary and joint venture amounted to approximately AUD19,350,000 (2019: AUD19,643,000) and the amount utilised by a subsidiary and joint venture amounted to approximately AUD9,924,000 (2019: AUD5,610,000). The earliest period that the guarantee could be called is within 1 year from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

(f) Offsetting financial assets and financial liabilities

There are no offsetting arrangements on financial assets and financial liabilities with third parties at the Group level. The following table details the Company's financial assets which are subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial liabilities

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreements as follows:

	Related amounts set off in the statement of financial position		
	Gross amounts - financial liabilities AUD'000	Gross amounts - financial assets AUD'000	Net amounts of financial liabilities AUD'000
Company			
2020			
Amounts due to subsidiaries	**3,623**	**2,725**	**898**
2019			
Amounts due to subsidiaries	4,107	2,738	1,369

(g) Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' values.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings and lease liabilities less cash and bank balances. Total capital is calculated as equity plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2020

33. Financial instruments, financial risk and capital management (Continued)

(g) Capital management policies and objectives (Continued)

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on its operating cash flows. The Group's overall strategy remains unchanged from the previous financial year.

	Group	
	2020	**2019**
	AUD'000	**AUD'000**
Net debt	**67,610**	67,137
Total equity	**35,450**	47,426
Total capital	**103,060**	114,563
Gearing ratio	**66%**	59%

Gearing ratio is not relevant to the Company as the Company has no bank borrowings and lease liabilities payables.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2020 and 30 June 2019. The Group is subject to financial covenants and undertakings in relation to borrowings (Note 22) and is in compliance with these financial covenants and undertakings. During the financial year, the requirement for the Group to calculate certain financial covenants was waived by the bank, for the quarters ended 31 March 2020 and 30 June 2020.

34. Fair value measurement

Fair value of financial assets and financial liabilities

The carrying amounts of the financial assets and liabilities in the financial statements approximate their fair values due to the relative short-term maturity of these financial instruments. The fair values of non-current liabilities in relation to bank borrowings are disclosed in Note 22 to the financial statements.

Fair value of freehold land and freehold buildings/licensed casino

The fair value measurement of freehold land and freehold buildings/licensed casino is disclosed in Note 11 to the financial statements.

35. Events subsequent to the reporting date

The economic impact of COVID-19 pandemic has been felt on a global scale. Their extent and duration are difficult to predict and is dependent on many factors. These include the extent to which the pandemic persists, the measures taken by governments and central banks that has an impact on the Group's business operations and costs, as well as consumer sentiments. Although the gaming and food and beverage revenue has been very encouraging, the Group's business will continue to be affected post year end if the COVID-19 pandemic persists.

36. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2020 were authorised for issue by the Board of Directors on 18 September 2020.

STATISTICS OF SHAREHOLDINGS

As at 10 September 2020

Issued and fully paid-up capital	:	SGD66,436,612.04
Number of ordinary shares in issue	:	486,718,542
Class of shares	:	Ordinary share
Voting rights	:	One vote per share
Number of Treasury Shares held	:	3,548,000
Number of ordinary shares excluding Treasury Shares	:	483,170,542
Percentage of Treasury Shares	:	0.73%[(1)]

Note:

(1) Calculated based on 483,170,542 voting shares as at 10 September 2020.

VOTING RIGHTS

Shareholder's voting rights are set out in Regulation 76 of the Company's Constitution.

Every Member present in person or by proxy shall have one vote for every share which he holds or represents.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Rule 723 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires that at least 10% of the equity securities (excluding preference shares, convertible equity securities and treasury shares) of a listed company in a class that is listed be at all times held by the public.

Based on the information available to the Company as at 10 September 2020, approximately 30% of the issued ordinary shares of the Company are held in the hands of the public and therefore Rule 723 is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of shares	%
1 – 99	1	0.26	50	0.00
100 – 1,000	32	8.21	29,300	0.00
1,001 – 10,000	138	35.38	901,000	0.19
10,001 – 1,000,000	194	49.74	17,062,350	3.53
1,000,001 and above	25	6.41	465,177,842	96.28
TOTAL	390	100.00	483,170,542	100.00

STATISTICS OF SHAREHOLDINGS

As at 10 September 2020

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	KAMAL Y P TAN	99,116,012	20.51
2.	JAYA J B TAN	95,868,540	19.84
3.	TAN YET MENG	72,461,340	15.00
4.	NOMURA SINGAPORE LIMITED	40,690,000	8.42
5.	CHAN KAIXUAN	24,000,000	4.97
6.	KUAN PENG CHING @ KUAN PENG SOON	23,942,478	4.96
7.	TAN SAN CHUAN	18,115,336	3.75
8.	TAN SAN LIN	18,115,336	3.75
9.	TEH CHENG CHUAN	10,608,000	2.20
10.	ASSOCIATED LEISURE INTERNATIONAL PTE LTD	10,000,000	2.07
11.	TAN SAN MING	7,456,000	1.54
12.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,057,000	1.46
13.	LIM & TAN SECURITIES PTE LTD	6,292,000	1.30
14.	RHB SECURITIES SINGAPORE PTE. LTD.	5,002,000	1.04
15.	DBS NOMINEES (PRIVATE) LIMITED	3,822,000	0.79
16.	LAI CHOY KUEN	3,470,000	0.72
17.	ANG HAO YAO (HONG HAOYAO)	3,070,100	0.64
18.	LEE WAN TANG	3,000,000	0.62
19.	UOB KAY HIAN PRIVATE LIMITED	2,768,800	0.57
20.	LOH KAH WAI	2,100,000	0.43
		456,954,942	94.58

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL	DIRECT INTEREST		DEEMED INTEREST	
SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
Dato' Kamal Y P Tan	99,116,012	20.51	-	-
Dato' Jaya J B Tan	95,868,540	19.84	-	-
Tan Yet Meng	72,461,340	15.00	-	-

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dato' Jaya J B Tan and Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 October 2020 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the Section B: Rules of Catalist of Listing Manual of the SGX-ST ("Catalist Rules"), the following is the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules:

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
Date of Appointment	26 February 2004	27 February 2004
Date of last re-appointment	27 October 2017	25 October 2018
Age	72	74
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Dato' Jaya J B Tan for re-appointment as Executive Chairman of the Company. The Board have reviewed and concluded that Dato' Jaya J B Tan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Tan Sri Ir. Kuan Peng Soon @ Kuan Peng Ching for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Dato' Jaya is responsible for implementing the Company's strategies and policies, driving financial performance, recommending new business initiatives and managing the operations of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman Nominating Committee Member	Independent Director Nominating Committee Chairman Audit Committee Member Remuneration Committee Member
Professional qualifications	Bachelor of Engineering University of Arizona	Bachelor of Engineering The University of Adelaide
Working experience and occupation(s) during the past 10 years	Lasseters International Holdings Limited Executive Chairman	Improve Performance Pte Ltd Managing Director
Shareholding interest in the listed issuer and its subsidiaries	95,868,540 ordinary shares in the Company	23,942,478 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother of Dato' Kamal Y P Tan, a substantial shareholder and a director of the Company. Brother-in-law of Ms Tan Yet Meng, a substantial shareholder of the Company. Uncle of Mr Tan San Chuan, a director of the Company.	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Present Directorships	Lasseters International Holdings Limited *(Listed)* Lasseters International Pte Ltd Lasseters Resorts Pte Ltd Lasseters Investments Pte Ltd Lasseters Interactive Gaming Pte Ltd Lasseters Holdings Pty Ltd Ford Dynasty Pty Ltd Lasseters Seaford Hotel Pty Ltd Lasseters CLG Pty Ltd Lasseters Valley Pty Ltd Lasseters Health Club Pty Ltd Lasseters Management (M) Sdn Bhd Lasseters Properties Sdn Bhd Merry Palms Sdn Bhd Super Ace Resources Sdn Bhd Cypress Lakes Group Pty Ltd Cypress Lakes Golf & Country Club Pty Ltd Cypress Lakes Property Pty Ltd The Golden Door Pty Ltd The Golden Door Holdings Pty Ltd The Golden Door Health Retreat - Elysia Pty Ltd The Golden Door Health Retreat - Willow Vale Pty Ltd Envictus International Holdings Limited *(Listed)* Envictus Brands Pte Ltd Envictus QSR Pte Ltd The Delicious (Singapore) Pte Ltd Envictus Capital (Labuan) Inc. Envictus Foods International Inc. Envictus (NZ) Limited Naturalac Nutrition Limited PT Quick Service Restaurant Delicious Catering Sdn Bhd De-luxe Food Services Sdn Bhd Envictus Central Food Services Sdn Bhd Envictus Dairies Marketing Sdn Bhd Envictus Food Services Sdn Bhd Envictus Foods (M) Sdn Bhd Envictus Gifts Sdn Bhd Envictus IT Services Sdn Bhd Eureka Capital Sdn Bhd Food Emporium Sdn Bhd Gourmessa Sdn Bhd	Lasseters International Holdings Limited *(Listed)* Star Media Group Bhd *(Listed)* Unique Bay Sdn Bhd Bamboo Foundation Star Foundation Kojadi Skill Development Foundation TARC Education Foundation Improve Performance Pte Ltd Lasseters International Pte Ltd Ford Dynasty Pty Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
Present Directorships (Continued)	Hot Bun Food Industries Sdn Bhd Lyndarahim Ventures Sdn Bhd Motivage Sdn Bhd Pok Brothers (Johor) Sdn Bhd Pok Brothers Sdn Bhd Polygold Beverages Sdn Bhd Polygold Holdings Sdn Bhd Polygold Marketing Sdn Bhd Reunion Restaurant Sdn Bhd San Francisco Coffee Sdn Bhd Texas Chicken (Malaysia) Sdn Bhd Consistent Earnings Sdn Bhd Motif Etika Sdn Bhd Panglima Etika Sdn Bhd Perinsu (Broker Insurans) Sdn Bhd Telecontinent Sdn Bhd YTF Nominees Sdn Bhd Modern Discovery Sdn Bhd Radiant Investments Limited United Pacific Corporation Ltd Nurring Group Limited Able New Investments Ltd New Magic Investments Limited Grand Imperial Saigon Hotel LLC	
Past Directorships (for last 5 years)	Envictus Dairies NZ Limited Lasseters Corporation Limited PT Sentrafood Indonusa Sutera Mesra Sdn Bhd The Delicious Group Sdn Bhd	Fajarbaru Builder Group Bhd *(Listed)* Fajarbaru Builder Sdn Bhd Potential Region Sdn Bhd Temasek Perkasa Sdn Bhd Renowaja Sdn Bhd Fajarbaru Land Sdn Bhd Wajatex Sdn Bhd Fajarbaru Trading Sdn Bhd Saham Wawasan Sdn Bhd Hiro-Dapat Holdings Sdn Bhd Wisma MCA Sdn Bhd Huaren Holdings Sdn Bhd Huaren Management Sdn Bhd Koperasi Usaha Mawah Berhad VTAR Education Sdn Bhd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Dato' Jaya resigned as a director of The Delicious Group Sdn Bhd ("TDG"), a wholly-owned subsidiary of Envictus International Holdings Limited on 22 June 2020. TDG has commenced creditors' voluntary liquidation on 5 August 2020 due to cessation of its business operations on 31 May 2020.	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Dato' Jaya J B Tan	Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes, a warning letter was issued by the Monetary Authority of Singapore to Dato' Jaya J B Tan on 5 October 2018 relating to late disclosure of change of interest in Envictus International Holdings Limited.	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable as this relates to re-election of Director.	Not applicable as this relates to re-election of Director.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of Lasseters International Holdings Limited (the "**Company**") will be held by way of electronic means on Wednesday, 28 October 2020 at 11.00 a.m. to transact the following business:-

As Ordinary Business

1. To receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report for the year ended 30 June 2020. **Resolution 1**

2. To re-elect the following Directors who are retiring pursuant to the Company's Constitution and have offered themselves for re-election:-

   (i) Dato' Jaya J B Tan (retiring pursuant to Regulations 102 and 106); and **Resolution 2**

   (ii) Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (retiring pursuant to Regulation 106). **Resolution 3**

   Note:
   Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon will, upon re-election as a Director of the Company, remain as a Chairman of the Nominating Committee and member of Audit and Remuneration Committees. He will be considered independent for the purposes of Rule 704(7) of Section B: Rules of Catalist of the Listing Manual (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (SGX-ST). Detailed information on Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon, as well as Dato' Jaya J B Tan, is found under the section entitled "Additional Information on Directors Seeking Re-election" in the Company's Annual Report.

3. To approve the payment of Directors' fees of SGD160,000 for the financial year ended 30 June 2020 (FY2019: SGD147,312). **Resolution 4**

4. To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

6. **Ordinary Resolution – General Mandate To Authorize Directors To Allot And Issue Shares And Convertible Securities** **Resolution 6**

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "**Act**") and Rule 806 of Section B: Rules of Catalist of the Listing Manual (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) issue shares in the capital of the Company whether by way of rights, bonus or otherwise (including shares as may be issued pursuant to any Instrument (as defined below) made or granted by the Directors while the ordinary resolution is in force notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force at the time of issue of such shares); and/or

   (b) make or grant offers agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority:-

(i) does not exceed 100% of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, (as calculated in accordance with subparagraph (ii) below) of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, (as calculated in accordance with subparagraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time of passing of the ordinary resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of shares awards, provided the options or awards were granted in compliance with the Catalist Rules; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (ii)(a) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST); and

(iv) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (a)]

7. Ordinary Resolution – Renewal Of Share Buy-back Mandate **Resolution 7**

"THAT:

(a) for the purposes of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of market purchases (each a "Market Purchase") on SGX-ST or off-market purchases ("Off-Market Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) (the "Share Buy-back Mandate") be and is hereby approved;

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"Prescribed Limit" means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings);

"Relevant Period" means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price" in relation to a fully-paid ordinary share in the capital of the Company (a "Share") to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding 105% of the Average Closing Price in the case of a Market Purchase and not exceeding 120% of the Average Closing Price in the case of an Off-Market Purchase.

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which the Shares are transacted on the SGX-ST, immediately preceding the date of the Market Purchase by the Company, and deemed to be adjusted in accordance with the rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

"Day of the Making of the Offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share; and

(d) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." [See Explanatory Note (b)]

BY ORDER OF THE BOARD

S SURENTHIRARAJ
KOK MOR KEAT
Company Secretaries

Singapore
7 October 2020

Please read the following notes and the explanations of the resolutions before deciding how to vote

Explanatory Notes on Special Business to be transacted

(a) **Ordinary Resolution 6**, if passed, is to empower the Directors from the date of the above Meeting until the next Annual General Meeting (unless revoked or varied by the Company in general meeting) to issue shares in the capital of the Company up to an amount not exceeding in aggregate 100% of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, at the time of passing the resolution, of which the aggregate number of shares to be issued other on a pro-rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings.

(b) **Ordinary Resolution 7**, if passed, is to empower the Directors from the date of the above Meeting until the next Annual General Meeting (unless revoked or varied by the Company in general meeting) to repurchase ordinary issued shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution is set out in the Appendix dated 7 October 2020 accompanying the Annual Report 2020.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT INFORMATION

Shareholders of the Company ("**Shareholders**") should take note of the following arrangements for the AGM:

(a) No Attendance in Person

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, (the "**Order**"), the AGM will be conducted by electronic means and Shareholders will not be able to attend the AGM physically.

All Shareholders or their corporate representatives (in the case of Shareholders which are legal entities) will be able to participate in the AGM proceedings by watching a "live" webcast (the "**Live AGM Webcast**") or listen to a "live" audio feed (the "**Live AGM Audio Feed**").

Shareholders who wish to participate in the AGM proceedings through the Live AGM Webcast via their mobile phones, tablets or computers must pre-register at https://sg.conveneagm.com/lasseters by 11.00 a.m. on 25 October 2020 (***the Registration Deadline***) to enable the Company to verify their status.

Following the verification, authenticated Shareholders will receive an email by 27 October 2020, and will be able to access the Live AGM Webcast by clicking on the link in the email and entering the user ID and password.

Shareholders who register by the Registration Deadline but do not receive an email response by 11.00 a.m. on 27 October 2020 may contact the webcast service provider via email at support@conveneagm.com with the full name of the shareholder and his/her identification number.

Shareholders will not be able to ask questions "live" at the AGM. Shareholders may submit questions related to the resolutions to be tabled at the AGM by 11.00 a.m. on 21 October 2020:

(i) via the pre-registration website at https://sg.conveneagm.com/lasseters; or
(ii) if submitted electronically, be submitted via email to AGMquestions@lasseters-intl.com.

For questions submitted by email, members are to provide their full names, NRIC/passport number, address and number of shares held. The Company will respond to all substantial and relevant questions prior to or at the AGM. The responses will be published on SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://lasseters.listedcompany.com.

(b) Voting solely via appointing Chairman of the Meeting as Proxy

In compliance with the Order, a Shareholder who wishes to vote at the Meeting can only do so by appointing the Chairman of the Meeting to act as his/her proxy to vote on his/her behalf in respect of all the Shares held by him/her. In the Proxy Form, a Shareholder should specifically indicate his/her voting instructions as to how the Chairman is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the Meeting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. All valid votes cast via proxy on each resolution will be counted.

(c) Investors who hold through Relevant Intermediaries (including CPF/SRS Investors)

Investors holding Shares through relevant intermediaries (as defined under Section 181 of the Companies Act (Chapter 50 of Singapore))(including CPF/SRS investors), should not use the Proxy Form and should contact their relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators at least seven (7) working days before the AGM (i.e. by 11.00 a.m., 16 October 2020) in order to allow sufficient time for their respective intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date. Other investors holding shares through other relevant intermediaries who wish to vote should approach his/her relevant intermediary as soon as possible to specify voting instructions.

NOTICE OF ANNUAL GENERAL MEETING

(d) Submission of Proxy Form

All documents relating to the business of AGM, including the proxy form, have been published on SGXNet at URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://lasseters.listedcompany.com. **Printed copies of these documents, including the proxy form, will not be despatched to Shareholders.**

The instrument appointing a proxy must be deposited (i) by post to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte). Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 or (ii) by email to proxyform@lasseters-intl.com by enclosing a clear scanned completed and signed Proxy Form and must be received by the Company not less than 72 hours before the time appointed for holding the AGM.

(e) Access to documents or information relating to the AGM

In accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, all documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) have been published on Company's website at https://lasseters.listedcompany.com and on the SGXNet at https://www.sgx.com/securities/company-announcements.

(f) Further updates

In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by government agencies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the AGM. The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to continue holding its AGM amidst the COVID-19 situation.

(g) Personal data privacy

By (i) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, (ii) completing the registration form for the AGM Live Webcast in accordance with this Notice, or (iii) submitting any question(s) prior to the AGM in accordance with this Notice, a member of the Company:

(A) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the following purposes:

(aa) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);

(bb) the verification, preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) recordings and transmitting images and/or voice recordings when broadcasting the AGM proceedings through webcast and providing any technical assistance where necessary;

(cc) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(dd) enabling the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines,

(collectively, the ***Purposes***);

(B) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(C) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Website

Please refer to https://lasseters.listedcompany.com for more information about the Company, including the Annual Report 2020 and the Appendix, Notice of AGM and Proxy Form.

LASSETERS INTERNATIONAL HOLDINGS LIMITED

PROXY FORM ANNUAL GENERAL MEETING

Important

1. The Annual General Meeting ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**").
2. Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement dated 7 October 2020. The announcement, the Company's annual report, the Appendix to the annual report, the Notice of AGM and the Proxy Form, may be accessed at the Company's website at https://lasseters.listedcompany.com and on the SGX website at https://www.sgx.com/securities/company-announcements. **Printed copies of these documents will not be despatched to Shareholders**.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 11.00 a.m. on 16 October 2020.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, completing the registration form for the AGM live webcast, or submitting any questions to the Company prior to the AGM, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 October 2020 which may be accessed at the Company's website at https://lasseters.listedcompany.com and on the SGX website at https://www.sgx.com/securities/company-announcements.
7. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the Annual General Meeting.**

I/We, _____ (Name) _____ (NRIC/Passport/Co Reg No.)

of _____ (Address)

being a member/members of LASSETERS INTERNATIONAL HOLDINGS LIMITED (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting ("AGM") of the Company to be held by way of electronic means on Wednesday, 28 October 2020 at 11.00 a.m. and at any adjournment thereof.

No.	Resolutions	For*	Against*	Abstain*
1	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 30 June 2020.			
2	Re-election of Dato' Jaya J B Tan as Director.			
3	Re-election of Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon as Director.			
4	Approval of payment of Directors' fees of SGD160,000 in respect of the financial year ended 30 June 2020.			
5	Re-appointment of Messrs BDO LLP as auditors and to authorise the Directors to fix their remuneration.			
6	Authority to allot and issue new shares.			
7	Renewal of Share Buy-back Mandate.			

(*Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish the Chairman of the Meeting as your proxy to "Abstain" from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

Dated this _____ day of _____ 2020.

_____

Signature(s) of Member(s) or,
Common Seal of Corporate Shareholder

Total Number of Shares held	
CDP Register	
Register of Members	

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depositary (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the Meeting as the member's proxy.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. A member who is a relevant intermediary entitled to vote at the AGM must appoint the Chairman of the AGM to vote at the AGM instead of the member.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 11.00 a.m. on 16 October 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted electronically, be submitted via email to proxyform@lasseters-intl.com; or

   (ii) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte). Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

   in either case, by no later than **25 October 2020, 11.00 a.m.**, being at least 72 hours before the time for holding the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or submitting it by post to the address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.

7. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. Members should take note that once this proxy form is submitted electronically via email to proxyform@lasseters-intl.com or lodged with the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

LASSETERS INTERNATIONAL HOLDINGS LIMITED (200402223M)

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