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

FORWARD WITH PROGRESS

2017

LASSETERS INTERNATIONAL HOLDINGS LIMITED (200402223M)

annual report

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CORPORATE VALUES

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 dedicated to providing products and services aimed at enhancing the experience of our customers. We believe that it is possible for people to live a healthy, fulfilling and inspired life. It is our mission and commitment to operate in a socially responsible manner and that our products, services and facilities always aim to represent a high level of quality.

We extend this commitment to all of our stakeholders including our staff and others within the community that we collaborate with as well as the people who participate in our business.

OUR STAFF

We have a dedicated and passionate team of employees all working together to create opportunities to transform lives and to improve the business.

The Group recruits a diverse workforce and promotes Equal Opportunity Employment with a focus on fairness and equality. We actively promote the culture of honest and open communication, teamwork and innovation; encourage and support the sharing and development of ideas that contribute to achieve strategic business objectives.

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

The health and well-being of our employees is of the highest importance and 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, and all staff have access to our classes, facilities and practitioners.

OUR COMMUNITY

Our community involves a wide range of groups including guests and their families, suppliers, villa owners, business partners and charitable organisations. We believe that integrity in dealing with all our guests is essential for a successful and sustainable business relationship.

In Alice Springs, we have strong connection with a number of industry and community associations and accreditation programs, which provide vital cooperative marketing and consumer brand recognition which benefit both Alice Springs Convention Centre and relevant associations or programs. We are members and active supporters of the Chamber of Commerce Northern Territory (“NT”), Tourism Central Australia (TCA), Australian Institute of Management (AIM), Australian Tourism Accreditation Program and Meetings Events Australia (MEA). We believe that the exchange of ideas and participation within economic and social forums is fundamental to our community’s success. Our Chief Operating

CORPORATE SOCIAL RESPONSIBILITY

Officer of Lasseters Hotel Casino is the chairperson of the Alice Springs 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 wellbeing of the Central Australian Community through the delivery of Responsible Service of Alcohol (RSA) policies and procedures.

In Hunter Valley, the launch of our dedicated Corporate Wellness Program has made a positive difference to the community through providing a service that results in sustainable change, increased productivity, and a healthier, enthusiastic workplace. The Golden Door's Corporate Wellness Program addresses all areas of health, wellness and mindfulness and how it relates to both personal and working lives. It brings about a paradigm shift in thinking which contributes to positive changes in the workplace culture and the business outcomes of organisations within the wider community.

The Group has taken an active role in supporting a number of charities and fundraising events. Through the provision of packages such as 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 including but not limited to, Chamber of Commerce NT, Rotary, NT Cancer Council, EJ Whitten Foundation, Association of Apex Clubs of Australia, Alice Springs Golf Club, Alice Springs Turf Club and Alice Springs Mountain Bike Club as well as significant discounts allocated annually to local schools for formal and year end events. The Golden Door in Hunter Valley has supported the National Breast Cancer Foundation, Dry July challenge, Special Olympics, House with No Steps, Myer Community Fund, Cancer Council POSH auction and The OTIS Foundation, to name just a few.

OUR ENVIRONMENT

We believe that it is everyone's responsibility to contribute to sustainable, 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 the environmental plan to ensure that it reflects changes in regulations and best practices. Voltage Power Optimisation units were installed in Alice Springs during 2016 which resulted in a 15.0% reduction in energy consumption per annum. In the same year, Crowne Plaza Alice Springs Lasseters achieved Level 1 accreditation for IHG Green Engage programme. IHG Green Engage programme is an online environmental sustainability tool, comprises more than 200 specific recommendations or 'Green Solutions' designed to reduce hotels' environmental impact. The programme helps to set and track specific reduction goals for usage of energy, carbon, water and waste.

To continually improve our environmental footprint in Hunter Valley, Level 2 Energy Audit was performed by Advitech Environment for The Golden Door Health Retreat & Spa Elysia at Pokolbin and energy savings measures are being implemented through installation of 10 single phase Variable Speed Drives (VSDs) pumps in the spa and Watsu pools.

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 (the former Catalist Board) in May 2004.

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

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

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

In addition, the Group is committed to conducting its casino business in line with world-class standards of excellence and integrity and in conformity with AS/NZS ISO 9001:2000, an international standard which requires strict systems of monitoring and auditing, 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"); spa and wellness business through CLGL under the premium brand name of "The Golden Door".

Australia

Land-based hotel and gaming establishment

LHC is nestled beneath the renowned MacDonnell Ranges, alongside the banks of the Todd River, with Ayers Rock or "Uluru", second largest town in the Northern Territory ("NT"), Australia 500km south. Alice Springs is renowned for arid environment consisting of several different deserts that offers a true Outback experience to both locals and tourists.

Originally constructed in 1981, this 4½-star establishment 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 essential in bringing the Meetings, Incentives, Conferencing and Exhibitions market both nationally and internationally, with all the associated economic benefits to Central Australia. As well as celebrating our 30th birthday in 2011, that year also saw an extensive period of planning come to fruition with the commencement of works on our AUD45.0 million re-development project. Integral to this project was the construction of a new AUD10.0 million Premium hotel wing that houses 63 rooms and three suites, which opened in 2012.

Other facilities completed to date include 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. The award winning 'Tali' restaurant was opened in October 2013 and 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 with over 1,400 members. In 2016, the hotel was newly re-branded as Crowne Plaza Alice Springs Lasseters through a franchise agreement with InterContinental Hotels Group.

With four restaurants, a nightclub, four bars, poolside cafe, a sports lounge, casino 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 location. LHC ensures our guests experience the modern amenities of urban Australia but in a scenic, remote desert setting.

LHC was also synonyms of high quality and dependable services that customers can rely on for maximum satisfaction in the region. Several accolades won include the Brolga Awards for deluxe accommodation for 4 consecutive years from 2013 to 2016, the Australian Tourism Award for best deluxe accommodation in 2015, AHA Aristocrat Technology Award for Excellence for Best Restaurant, Best Sports Entertainment and Best NT Keno Venue. Tali, our signature restaurant was awarded the 2014 Northern Territory AHA (NT) Restaurant of the Year. In 2015 LHC was awarded the AHA (NT) Best Marketed Hotel.

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, through annual sponsorship in Alice Springs Masters Games, Finke Desert Race, Imparja Cup, Ingkerreke Mountain Bike Enduro, Alice Springs Cup and Lasseters Camel Cup and also supported the community with its 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 health retreat, spa and wellness businesses within Australia.

The spa and wellness segment is managed by The Golden Door Australia ("TGD") within CLGL and are branded under the market leading banner "The Golden Door". TGD offered all-inclusive health and wellness programs aimed at helping people improve their overall health and well-being in 2, 3, 5 or 7-day packages. Activities offered within the programs; amongst others include Tai Chi, pilates, yoga, deep water running and hiking.

As part of the cost reduction strategy, CLGL was voluntarily delisted from Australian Securities Exchange on 9 December 2009.

Golden Door Elysia Health Retreat & Spa in recent times have won the Luxury Travel Gold Awards, Best Australian Health & Wellness Property & the Central Coast & Hunter Tourism Award for most Unique Property.

Malaysia
Property and Hospitality Development

The Group owns 80% equity interest in Merry Palms Sdn. Bhd. ("MPSB"). MPSB is principally engaged in property development, management and related industries and through MPSB, the Group purchased a piece of leasehold land measuring seven acres in Malaysia to develop sixteen units of industrial factory lots. This is the Group's maiden property development project.

On 25 August 2016, the Group ventured into hospitality in Malaysia and entered into a 55:45 joint venture with a prominent public listed company to jointly develop, own and operate a hotel in Malaysia. The project will be undertaken through Super Ace Resources Sdn. Bhd. and the proposed 220-key 4-star hotel is part of a planned 21.7 acres of integrated township, comprising blocks of serviced apartments, retails, SOHO and a KDU University College, is located in Glenmarie Shah Alam. The hotel which will be managed by the international hotel chain, AccorHotels under the brand name of "Mercure" is expected to open its door to the public in early 2020.

BUSINESS MODEL

Core Business

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.

Casino

Hotel

Convention Centre

Spa and Wellness

Property Development

CORPORATE INFORMATION

Board of Directors

Dato' Jaya J B Tan
Executive Chairman

Dato' Kamal Y P Tan
Non-Executive Director

Tan San Chuan
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

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 Ng Kian Hui
(Appointed since the financial year ended 30 June 2017)

Principal Bankers

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

Westpac Banking Corporation
91 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

Solicitors

Morgan Lewis Stamford LLC
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

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 Cypress Lakes Group Limited in Australia. He is also 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 offers 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 a Director of Cypress Lakes Group Limited and the Group Chief Executive Officer of Envictus International Holdings Limited. 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 at the AGM held in 2016. He is the brother of Dato' Jaya J B Tan and uncle of Mr Tan San Chuan.

BOARD OF DIRECTORS

TAN SAN CHUAN

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. On 3 October 2007, Mr Tan was re-designated as the Executive Director of the Company.

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 Director of Cypress Lakes Group Limited. He is also a Board member of Park Hyatt Saigon, a 259-room 5-star hotel in Ho Chi Minh City, Vietnam.

Mr Tan will retire as Director at the forthcoming AGM and offers himself for re-election. 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 was re-appointed as a Director at the AGM in 2015.

TEO CHEE SENG

Independent Director
Chairman of Audit and Remuneration Committees, and 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 acts as the legal consultant to Tzu Chi Foundation, Taiwan's biggest charity organisation which is also an United Nations NGO.

Mr Teo was re-elected at the AGM held in 2016.

KEY MANAGEMENT

PAUL WONG BAAN CHUN, JP

Chief Executive Officer
Lasseters International Holdings Limited

Mr Paul Wong 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, 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, stock broking, manufacturing and trading.

CRAIG JERVIS

Chief Operating Officer
Lasseters Hotel Casino

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 17 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.

Craig holds B.A. Hospitality & Tourism Management, Advance Diploma in Hotel Management and Diploma of Adult Tertiary Teaching. His community and professional involvement has included sitting on the Board of The Australian Hotel Associations (NT), Australian Tourism Export Council (NT) committee member, the Red Centre Economic Development committee and Chairman of the Alice Springs Liquor Accord.

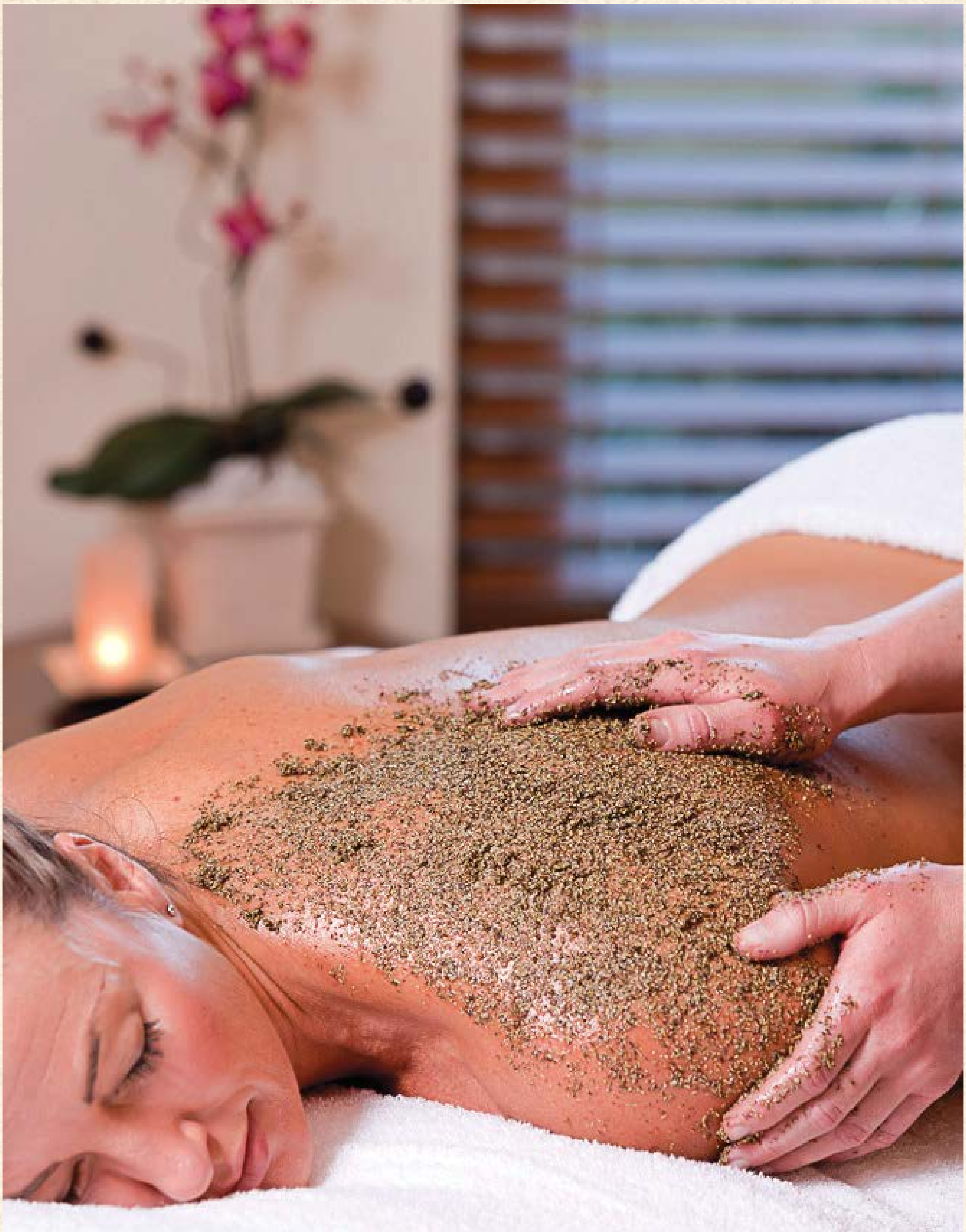
BRIGID WALSH

General Manager
Golden Door Health Retreat & Spa, Elysia

Ms Brigid Walsh has a Bachelor of Sport Science and a Post Graduate Certificate in Management and has held senior leadership positions within the health and wellness industry for over 18 years.

Her extensive experience in the management of high end service programs for The National Heart Foundation, Australian Sports Commission and Golden Door Health Retreats has resulted in the delivery of outstanding organisational outcomes whilst positively influencing thousands of lives. Brigid joined Lasseters in 2004 as Program Manager of Golden Door Health Retreat Queensland and was appointed General Manager of Elysia in the Hunter Valley in 2012. Brigid has taken a lead role in delivering “the ultimate health and well-being experience” and has been instrumental in maintaining Golden Door’s reputation as Retreat & Spa industry leaders.

Spa & Wellness



The Golden Door Australia

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

NOTES TO SHAREHOLDERS

Dear Fellow Shareholders,

Financial Review

In this reporting year, the Group registered total revenue of AUD56.1 million as compared to total revenue of AUD65.3 million achieved in FY2016. The decline in total revenue was mainly due to lower revenue recognition in the Group's property arm of AUD3.4 million in FY2017 (FY2016: AUD12.3 million) as most of the property development units have been sold in FY2016.

Our land-based hotel and casino operations in Alice Springs, Northern Territory ("NT") remained profitable with its steady performance, contributing 79.4% or AUD44.5 million (FY2016: 67.7% or AUD44.2 million) of total revenue.

The Group reported a net loss of AUD1.6 million in FY2017 as compared to a net loss of AUD0.4 million in the corresponding period last year ("FY2016"). The variance is a result of impairment in the value of property, plant and equipment of the daily spa in Queensland in this reporting period; a gain on disposal of a subsidiary, Lasseters Corporation Limited and write back of payables on discontinued operations for Cypress Lakes Group Limited taken up last year. Without the mentioned exceptional items, Group's operation improved marginally by 1.0% with a pre-tax loss of AUD0.9 million in the current reporting period.

The financial year saw the Group continued to have a a positive operational cash flow before working capital of AUD10.0 million (FY2016: AUD11.1 million).

The Year In Review

In the last few years, we have focused to complete our expansion programme and successfully transformed our land-based hotel and casino into an iconic integrated resort in Central Australia. In addition, the NT Government has extended the exclusivity to the casino to operate in Alice Springs and other land in the NT which is 18 degrees south of the equator and any part of that land up to 2036.

Our land-based hotel in Alice Springs has received the Best Deluxe Accommodation award for four years in a row at the Brolga Northern Territory Tourism Awards and this serves to reinforce our position as the "Centre of Entertainment".

We have further strengthened our hotel offerings through a franchise agreement with InterContinental Hotels Group ("IHG") and have re-branded it as ***Crowne Plaza Alice Springs Lasseters***. We believe we are well-positioned to leverage the Crowne Plaza brand as one of the fastest-growing hotel brands. We have also invested AUD6.0 million in an effort to refurbish our guest rooms, which is progressing well and is scheduled to be completed by early 2018.

"The Golden Door", the Group's spa and wellness business segment, is expected to continue to witness steady growth momentum in line with our efforts to create visibility and awareness of its premium brand. We have launched our e-commerce platform last year and a number of online retail products have been introduced to create community building touch-points.

In line with our strategy to establish and complement our growing presence in both hospitality and property development industries, we have entered into a joint venture to develop, own and operate a hotel in Glenmarie, Shah Alam, Malaysia. Through the joint venture, we engaged with a French multinational hotel group, AccorHotels in April 2017 to operate the 220-key 4-star hotel under the "Mercure" brand. The hotel is slated for a planned opening in early 2020 and is part of a planned 21.7-acre metropolis, which integrates commercial, retail and residential elements to the KDU University College.

Outlook

On the whole, Australia's outlook remains cautious in the next 12 months and it is anticipated that household consumption will stay subdued in the wake of low wages growth, elevated unemployment rate and assets price appreciation.

As the global economic outlook is expected to remain volatile in 2018 and in view of the present soft market conditions experienced in Australia, the Group will continue to tread cautiously as we advance our businesses. We will closely monitor our business strategies and manage our risks prudently to weather the current economic challenges.

We are confident that we will be able to harness our capabilities to achieve better performance in the year ahead. In the coming year, the Group will also continue to dedicate our resources to develop our core businesses for growth.

Appreciation

On behalf of the Board and the Management, I would like to express my heartfelt gratitude to the various regulatory authorities, business partners and associates, bankers, suppliers and customers for their unwavering support and belief in us.

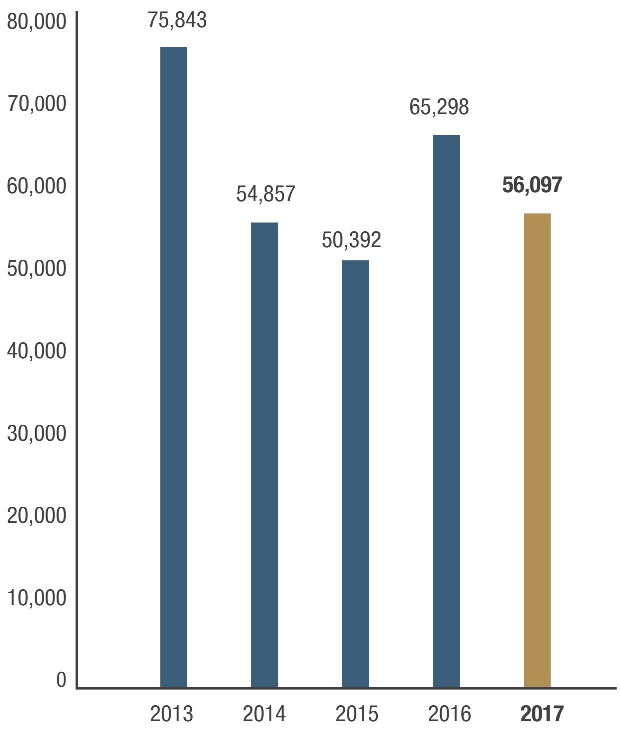
To my fellow Directors, whose counsel and guidance throughout the year has been immeasurable, thank you for your valued advice. To the staff and management of Lasseters, our sincere appreciation for your effort, hard work and dedication towards ensuring the success of the Group.

Last but not least, to all our loyal shareholders, it is a privilege to be able to have your steadfast support and votes of confidence. Do be rest assured that we remain committed to work to achieve our goal of creating the best value for you, and I look forward to seeing you at our Annual General Meeting.

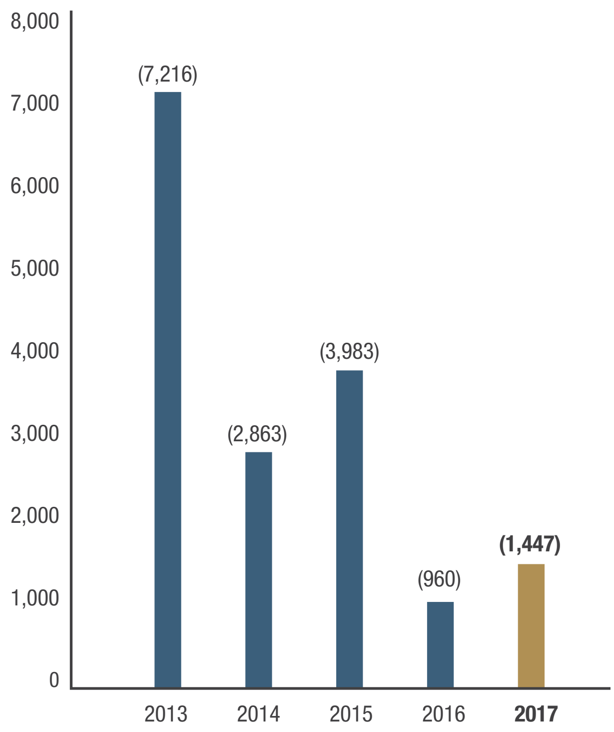
Dato' Jaya J B Tan
Executive Chairman

FINANCIAL HIGHLIGHTS

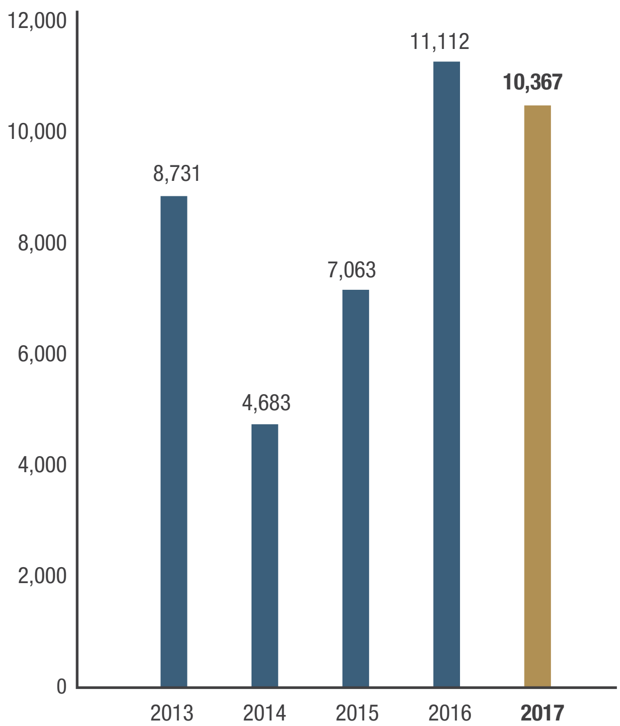
Revenue AUD ('000)



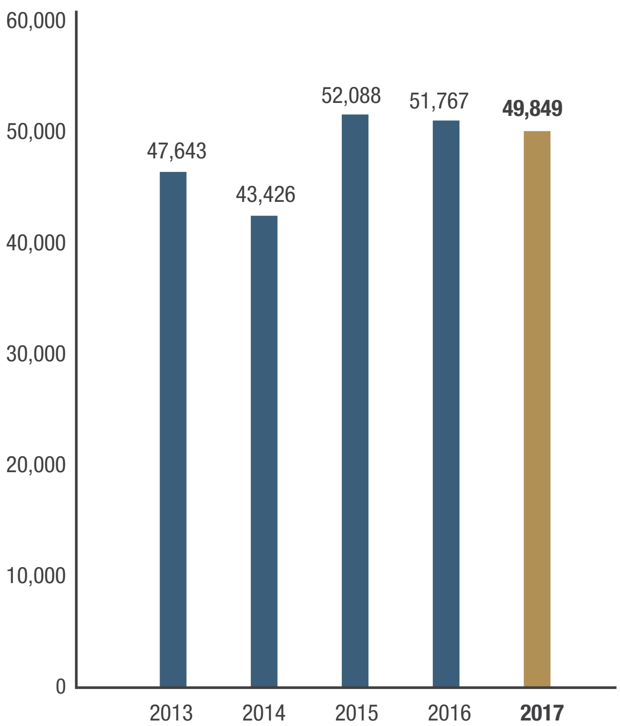
Loss after tax AUD ('000)*



EBITDA AUD ('000)*



Net asset value AUD ('000)



* *Loss after tax and EBITDA exclude impairment/(reversal) of impairment in value of property, plant and equipment and intangible assets, (gain)/loss on disposal of businesses, subsidiaries and property, plant and equipment and incidental costs on disposal.*

REVIEW OF OPERATIONS

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

The Group's flagship land-based hotel and casino property in Alice Springs, Northern Territory ("NT") continues to be the standout performer and maintained its position as the leading entertainment destination.

One of our major strategic initiatives in FY2017 was the collaboration with Intercontinental Hotel Group ("IHG")in re-branding the hotel, now known as Crowne Plaza Alice Springs Lasseters. It is one of the important steps undertaken to drive incremental visitations through customer segmentation by tapping on IHG's extensive network and resources on sales and marketing, guest loyalty programme etc. This has allowed the hotel to leverage on the Crowne Plaza brand which is one of the fastest-growing hotel brands with strong linkage to the Meetings, Incentives, Conferencing and Exhibitions market, solidified its leading status in room provision and further improve rooms rev par overall. The collaboration will position CPASL for greater earnings growth in future years, but have come at some cost to near term earnings, given the minor disruption during the refurbishment. CPASL is estimated to incur approximately AUD6.0 million in refurbishment costs on 139 rooms in total. Refurbishment work started in mid-August 2017 and is expected to complete by mid-February 2018.

For the fourth consecutive year, our land-based hotel was awarded the Best Deluxe Accommodation at the 2016 Brolga Northern Territory Tourism Awards in November 2016. The achievement has proven LHC's strong commitment towards deluxe standard of service delivery.

LHC will remain committed and focus to strengthen its position in all business segments; emphasis will be placed on stabilising the operational efficiencies and service deliveries as well as to optimise yield management and continue to step up its marketing effort to grow market shares.

Operational Review

FY2017 was a year where we achieved sustainable growth with a marginal improvement of 1.0% in total revenue year-on-year ("y-o-y"). Our land-based hotel and casino operation continues to remain profitable, contributing a pre-tax profit of AUD1.1 million in FY2017 on the back of AUD44.5 million in revenue (FY2016: AUD44.2 million), against a pre-tax profit of AUD0.8 million recorded in FY2016 before intra group charges.

The growth came largely from the non-gaming segment, which delivered an increase of 1.8% y-o-y to AUD22.5 million in FY2017; the gaming segment revenue contributions remained fairly consistent as in last year of AUD22.2 million. Despite being a single digit, the revenue growth is encouraging particularly when the business environment in Australia is felt to be soft nationally and competition from rivals; clubs and hotels are intensifying from a ruling introduced by the NT Government to increase the number of slots on the gaming floor.

Operating costs increased by 1.7% to AUD39.3 million in FY2017 from AUD38.6 million in FY2016, mainly due to costs associated in sustaining and driving revenue. Cost measurement and control continues to be exercised prudently. Depreciation decreased marginally by AUD0.2 million.

Finance costs declined by 11.6%, mainly due to yearly loan amortisation and management's continuous effort in managing and mitigating the interest rates fluctuations.

Outlook

The NT economy is influenced by economic performance of its major trading partners. Volatility of commodity prices and exchange rates had a significant impact on NT's major industries. The recent NT Budget 2018 has forecasted that the NT tourism industry to grow steadily at an average annual rate of 2.9% over the next five years.

Barring any unforeseen circumstances, the Group believes the collaboration with IHG coupled with the fully refurbished rooms; plans to re-theme the outback Juicy Rump restaurant; introduction of larger range of contemporary gaming products and systems are poised to gain from the forecast growth in tourism within NT.

Cypress Lakes Group Limited ("CLGL"), Australia

The Group maintains a strong presence in promoting health and wellness awareness in Australia through its premium brand name "The Golden Door" ("TGD"), providing over 15,000 programs and experiences over the last five years. Our team of skilled and passionate professionals in TGD Elysia's retreat in Hunter Valley, New South Wales, Australia, has remained dedicated to create incremental revenue, grow visitation and customer segmentation; and more importantly to increase awareness of the TGD brand name in Australia's wellness community.

We have also kick-started a number of projects over the past year, including an e-commerce platform to create community building touch-points. We are heartened to see that these initiatives have begun to gain traction over the year.

In FY2017, TGD Elysia's retreat in Hunter Valley, New South Wales, Australia was awarded the Travellers' Choice 2017 as one of the Top 25 Hotels for Service in Australia.

REVIEW OF OPERATIONS

Operational Review

FY2017 saw CLGL revenue dropped marginally by 6.0% to AUD8.2 million from AUD8.7 million in FY2016. Several factors contributed to the revenue decline, these include soft consumer sentiment arising from an uncertainty in July 2016 election, reduced post-Christmas trading days and change in key marketing personnel which resulted in a loss of momentum in marketing campaigns during the financial year.

Operating expenses registered a decline of 2.7% or AUD0.2 million to AUD8.8 million in FY2017. Finance costs declined to AUD1.1 million in FY2017 from AUD1.3 million in FY2016. This again reflects the Group's constant affords to diligently curb unmeasured spending and in managing and mitigating interest rates fluctuations.

CLGL closed the financial year 2017 with a pre-tax loss of AUD1.6 million against a pre-tax loss of AUD1.3 million in FY2016.

Outlook

The latest Global Wellness Economy Monitor ("GWI") predicts the wellness economy will continue in an upward growth trend as a result of several factors – a global middle class with rising income to spend on improving their quality of life and their future outlook, increasing consumer interest in all things related to maintaining and improving health, and a collective and growing awareness among a subset of consumers. GWI projects that wellness sectors will grow at a rate of 7.5%, which is faster than the projected 4.5% global GDP growth over the next five years.

Despite the positive forecast on the prospects of the wellness sector, there are definite risks and challenges faced by CLGL as in any other industries.

Recognising this, CLGL's immediate strategies are to extend its reach or arms by creating a strong bondage or partnerships with medical practitioners, professionals and experts; expands its e-commerce platform, and establishment of a comprehensive online service platform. The Group believes such measures shall improve the earnings of CLGL, moving ahead.

Merry Palms Sdn. Bhd. ("MPSB"), Malaysia

As reported in the last year annual report, the Group's maiden property development of 16 units industrial factory lots ("the Project") was successfully completed.

Operational Review

For the current financial year, MPSB reported a revenue of AUD3.4 million as compared to AUD12.3 million in FY2016 as the Project approaches the tail end of the development cycle against a construction costs of AUD2.6 million (FY2016: AUD11.4 million).

MPSB closed off with a pre-tax profit of AUD0.2 million in FY2017 as compared to AUD0.6 million in FY2016.

Outlook

Most economists have upgraded their growth forecast for Malaysia following the recent release of Gross Domestic Product growth data which is the highest since 2015.

Tapping on the Board's wide experience in real estate, the Group will continue to explore niche property development in strategic locations with growing population to further enhance Group earnings.

Development undertaken in FY2017

It has always been our goal to establish and complement our growing presence in both hospitality and property development industries in Malaysia as one of our geographical focus markets.

On 25 August 2016, the Group entered into a joint venture with Paramount Corporation Berhad ("PCB") to jointly develop, own and operate a hotel located in Glenmarie, Shah Alam, Malaysia. PCB is a company listed on the Main Market of Bursa Malaysia Securities Berhad and has well-established interests in property development and education services. The hotel is part of a planned 21.7-acre metropolis, which integrates commercial, retail and residential elements to the KDU University College and is slated for a planned opening in early 2020.

On 20 September 2016, Super Ace Resources Sdn. Bhd. ("SAR") was set-up as the joint venture vehicle to undertake this project with the Group holding a 55% equity interest and PCB holding the remaining 45% equity interest. Through the joint venture, SAR had engaged with a French multinational hotel group - AccorHotels in April 2017 to operate the 220-key 4-star hotel under the "Mercure" brand.

The joint venture presents the Group with an excellent opportunity to expand our hospitality expertise beyond Australia by adding 220-key hotel rooms to our existing room's portfolio, broaden our revenue streams and deliver long-term values to our shareholders.

Healthier Way of Living

Crowne Plaza Alice Springs Lasseters

An award winning 4½-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. The Group will continue to uphold good corporate governance practices consistent with the principles of the Code of Corporate Governance (the "Code"), which forms part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Section B: Rules of Catalist of the Listing Manual (the "Listing Manual").

This report outlines the Group's corporate governance processes and activities that were in place throughout the financial year, with specific reference to the Code as revised by the Monetary Authority of Singapore on 2 May 2012. Deviations from the Code, if any, are explained under the respective sections.

BOARD MATTERS

Principle 1: The Board's conduct of its affairs

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.

<u>Independent judgement</u>

All directors exercise due diligence and independent judgement 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.

<u>Delegation by the Board</u>

The Board has delegated certain of its functions to the Audit Committee (the "AC"), Nominating Committee (the "NC") and Remuneration Committee (the "RC"). These Board committees operate under clearly, defined terms of reference. The chairman of the respective board committees reports the outcome of the committees' meetings to the Board.

<u>Key features of board processes</u>

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.

Directors' attendance at Board and Board committee meetings in FY2017

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 FY2017	3	2	2	1
Number of meetings attended				
Dato' Jaya J B Tan	2	n/a	n/a	0
Dato' Kamal Y P Tan	3	2	2	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.

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.

Induction and training of directors

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. 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.

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.

No external training was attended by the Directors in FY2017.

CORPORATE GOVERNANCE

Principle 2: Board composition and guidance

The Board comprises one Executive Chairman, one Executive Director, one Non-Executive Director and two Independent Directors.

Name	Age	Date of first appointment	Date of last re-election	Designation
Dato' Jaya J B Tan	69	26.2.2004	28.10.2015	Executive Chairman
Dato' Kamal Y P Tan	65	26.2.2004	27.10.2016	Non-Executive Director
Tan San Chuan	36	15.9.2005	29.10.2014	Executive Director
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	71	27.2.2004	28.10.2015	Independent Director
Teo Chee Seng	63	26.2.2004	27.10.2016	Independent Director

Each year, the 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.

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.

<u>Independent Directors</u>

Guideline 2.1 of the Code provides that there should be a strong and independent element on the Board, with independent Directors making up to at least one-third of the Board. Guideline 2.2 further provides that the independent Directors should make up at least half of the Board where:-

1. the Chairman of the Board (the "Chairman") and the CEO is the same person;
2. the Chairman and the CEO are immediate family members;
3. the Chairman is part of the management; or
4. the Chairman is not an independent Director.

In accordance with the Code, changes needed to comply with the requirement for independent Directors to make up at least half of the boards in specified circumstances (as shown above) should be made at the Annual General Meetings ("AGMs") following the end of financial year commencing on or after 1 May 2016.

Based on the current Board structure, there are 3 non-independent Directors and 2 independent Directors. Hence, the Company has not complied with the requirement of having independent Directors making up at least half 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 NC, will regularly review the structure, size and composition of the Board and the Company's compliance with the Code. As the Company's activities develop in size, nature and scope, subject to the NC's recommendations, the Company will take measures such as the appointment of additional Independent Directors to comply with the Code.

CORPORATE GOVERNANCE

The independent directors meet on a need-be basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and remuneration of the Executive Directors.

Directors' independence review

A Director who has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement in the best interests of the Company is considered independent.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent. For the purposes of determining the Directors' independence, every Director has provided a declaration of their independence which is deliberated upon by the NC and the Board. After taking into account the views of the NC, the Board considers that the following Directors are regarded non-independent Directors of the Company:-

Name of Directors	Reasons for Non-Independence
Dato' Jaya J B Tan	As the Executive Chairman of the Company, Dato' Jaya J B Tan is employed by the Company. He is also deemed non-independent as he holds more than 10% of the Company's voting shares. Dato' Jaya J B Tan is the brother of Dato' Kamal Y P Tan and uncle of Mr Tan San Chuan.
Dato' Kamal Y P Tan	Dato' Kamal Y P Tan is also deemed non-independent as he holds more than 10% of the Company's voting shares. Dato' Kamal Y P Tan is the brother of Dato' Jaya J B Tan and uncle of Mr Tan San Chuan.
Tan San Chuan	As the Executive Director of the Company, Mr Tan San Chuan is employed by the Group. Mr Tan San Chuan is the nephew of Dato' Jaya J B Tan and Dato' Kamal Y P Tan.

Save for the above mentioned Directors, all the other Directors on the Board are considered by the NC and the Board to be independent Directors.

The Board also recognises 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.

Independent directors, Mr Teo Chee Seng and Tan Sri Ir Kuan Peng Ching @ Kuan Peng Soon, 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.

Mr Teo and Tan Sri Ir Kuan 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.

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 has reviewed and is satisfied that all Directors have discharged their duties adequately for the financial year ended 30 June 2017.

Currently, there is no alternate director on the Board.

CORPORATE GOVERNANCE

Principle 3: Chairman and Chief Executive Officer

The Chairman and the CEO functions in the Company are assumed by different individuals. The Executive Chairman is Dato' Jaya J B Tan and the CEO is Mr Paul Wong Baan Chun. 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.

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. 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.

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.

Principle 4: Board membership

The members of the Board committees of the Company 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	-

NC composition

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 has complied with Guideline 4.1 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 has 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.

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

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 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.

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.

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. Article 90(2) of the Company provides that no Director shall be appointed without the consent of the Northern Territory ("NT") Minister. Article 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 Article 90(2) above.

Article 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.

Article 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 Mr Tan San Chuan and Dato; Jaya J B Tan, who will retire and submit themselves for re-election at the forthcoming AGM. The NC is satisfied that Mr Tan San Chuan and Dato' Jaya J B Tan are properly qualified for re-election by virtue of their skills, experience, contribution and guidance to the Board's deliberation.

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.

CORPORATE GOVERNANCE

Principle 5: Board performance

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.

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 and the Executive Directors. 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.

Principle 6: Access to information

To assist the Board in its discharge of duties and responsibilities, Management is required to provide adequate and timely information to the Board on Group affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Group. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through other means e.g. electronic mail and teleconferencing. Directors are also updated on initiatives and developments for the Group's business whenever possible on an on-going basis.

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 the board procedures are followed in accordance with the constitution of the Company, and that applicable rules and regulations are complied with.

The Board is entitled to request from the Management and should be provided with such additional information as needed to make informed decisions. The Management shall provide the same in a timely manner. Information provided includes board papers and related materials, background or explanatory information related to matters brought before the Board, and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Management will, upon direction by the Board, get independent professional advice in furtherance of their duties, at the Company's expense.

Principle 7: Remuneration Committee
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

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.

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 Executive Chairman and Executive Director have entered into service agreements 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 agreements cover 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 and Executive Director's contracts of service and is of the view that such contracts of service contain 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 Executive Director and there are no excessively long or onerous removal clauses in these service agreements.

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.

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.

Remuneration paid to Directors and the CEO

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of Executive Directors 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 Board concurred with the RC that the proposed directors' fees for the year ended 30 June 2017 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.

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

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

Remuneration paid to the Directors and the CEO for FY2017 is as follows:-

	Salary[(1)] %	Directors' Fees[(2)] %	Bonus[(3)] %	Total Remuneration %
Directors				
SGD250,000 to below SGD500,000				
Dato' Jaya J B Tan	78.9	9.8	11.3	100.0
Below SGD250,000				
Dato' Kamal Y P Tan	-	100.0	-	100.0
Tan San Chuan	80.3	19.7	-	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				
Paul Wong Baan Chun	83.2	-	16.8	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 fees received from subsidiaries, where applicable.

(3) Bonus for FY2016 received in FY2017.

The Company has not complied with Guideline 9.2 of the Code which requires the Company has not disclosed to disclose exact details of the remuneration of each individual Director 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.

The Company is not compliant with Guideline 9.3 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 S$250,000 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 FY2017 was SGD1,000,558.

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 and Executive Director 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, Executive Director and CEO, which includes increment and bonus, and will then submit its recommendation to the Board for approval.

<u>Immediate family members of Directors</u>

There are no immediate family members of Directors in employment with the Group and whose remuneration exceeds SGD50,000 during the FY2017 save and except for Dato' Jaya J B Tan and Mr Tan San Chuan, the remuneration of which has been disclosed above.

Principle 10: Accountability

The Board is accountable to shareholders for the stewardship of the Group. The Board updates shareholders on the operations and financial position of Lasseters through half-year and full-year results announcements as well as timely announcements of other matters as prescribed by the relevant rules and regulations. The management is accountable to the Board by providing the Board with the necessary financial information and updates on a timely basis in order that the Board may effectively discharge its duties and make a balanced and informed assessment of the Company's performance, financial position and prospects.

Presently, the management presents to the AC the interim and full-year results and the AC reports on the results to the Board for review and approval before releasing the results to the SGX-ST and public via SGXNET.

In presenting the annual financial statements and half-year announcements to the shareholders, it is the aim of the Board to provide shareholders with detailed analysis and a balanced and understandable assessment of the Company's performance, position and prospects.

All of the directors and the CEO have given their undertakings that they shall each in the exercise of their powers and duties comply with the best of their abilities with the provisions of the Listing Manual of the SGX-ST and will procure the Company to do so.

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 Executive Chairman have provided assurance to the Board on the integrity of the financial statements of the Group. The Board has also provided a negative assurance to the shareholders on the half-year results.

Principle 11: Risk Management and Internal Controls

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.

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.

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.

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 2017.

In addition, 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.

CORPORATE GOVERNANCE

Principle 12: 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

Members of the AC have relevant accounting or related financial management expertise or experience.

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 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.

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.

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.

For the year under review, the Group has accrued and paid an aggregate amount of audit and non-audit fees of AUD283,415, comprising audit fees of AUD82,446 to auditors of the Company; and AUD151,348 and AUD49,621 to other auditors for audit fees of the subsidiaries and non-audit fees respectively. In compliance with Rule 1204(6) of the Listing Manual of the SGX-ST, 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 Listing Manual 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.

No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC.

Principle 13: Internal Audit

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 recognised 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.

During the financial year, the Board with the concurrence of AC, after carrying out a review, is of the opinion that the internal controls of the Group are adequate and effective to address operational, financial, compliance risks and technology risks. In arriving at the opinion, the Board is of the view that the internal controls of the Group have reasonable assurance to achieving the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

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.

Principle 14: Shareholder rights

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.

All shareholders receive the Company's annual report and notice of AGM within the prescribed notice period set out in the Company's Constitution and the prevailing laws and regulations. The notice is also released via SGXNet and published in local newspaper.

CORPORATE GOVERNANCE

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. On 3 January 2016, amendments to the Companies Act (Chapter 50) came into force, under which, among other things certain 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.

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 Listing Manual.

Principle 15: Communication with 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 SGX-ST's Listing Manual through announcements via the SGXNet. The Company does not practice selective disclosure of material information.

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

<u>Dividend Policy</u>

The Company does not have an official dividend policy. The amount of dividends, if any declared, will depend on the factors that include the Group's profit level, cash position and future cash needs. For FY2017, the Company did not declare any dividend as it is not in a profitable position.

Principle 16: Conduct of shareholder meetings

The Group strongly encourages shareholders' participation during the AGM. All shareholders are encouraged to attend the AGM to ensure high level of accountability and to stay informed of the Group's strategies and visions. The Board of Directors, the AC members and other committee members, the CEO, auditors and the Company Secretary/Secretaries will be present and are available to address any questions from shareholders regarding the Group and its businesses.

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. On 3 January 2016, amendments to the Companies Act (Chapter 50) came into force, under which, among other things certain 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.

At the AGMs and other general meetings, separate resolutions are proposed for substantially separate issues for items of special business. Where appropriate, an explanation for any proposed resolution would be provided.

At the last AGM held by the Company, all Directors of the Company, legal advisor and external auditors, were present to address queries from the shareholders who attended the AGM and all resolutions were put to vote by poll. The results of the electronic poll voting were published instantaneously at the AGM.

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.

Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes would be available to shareholders upon their request.

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.

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 Listing Manual of the SGX-ST. There were no interested person transactions entered into by the Group in excess of SGD100,000 during the year under review.

Dealings in Securities

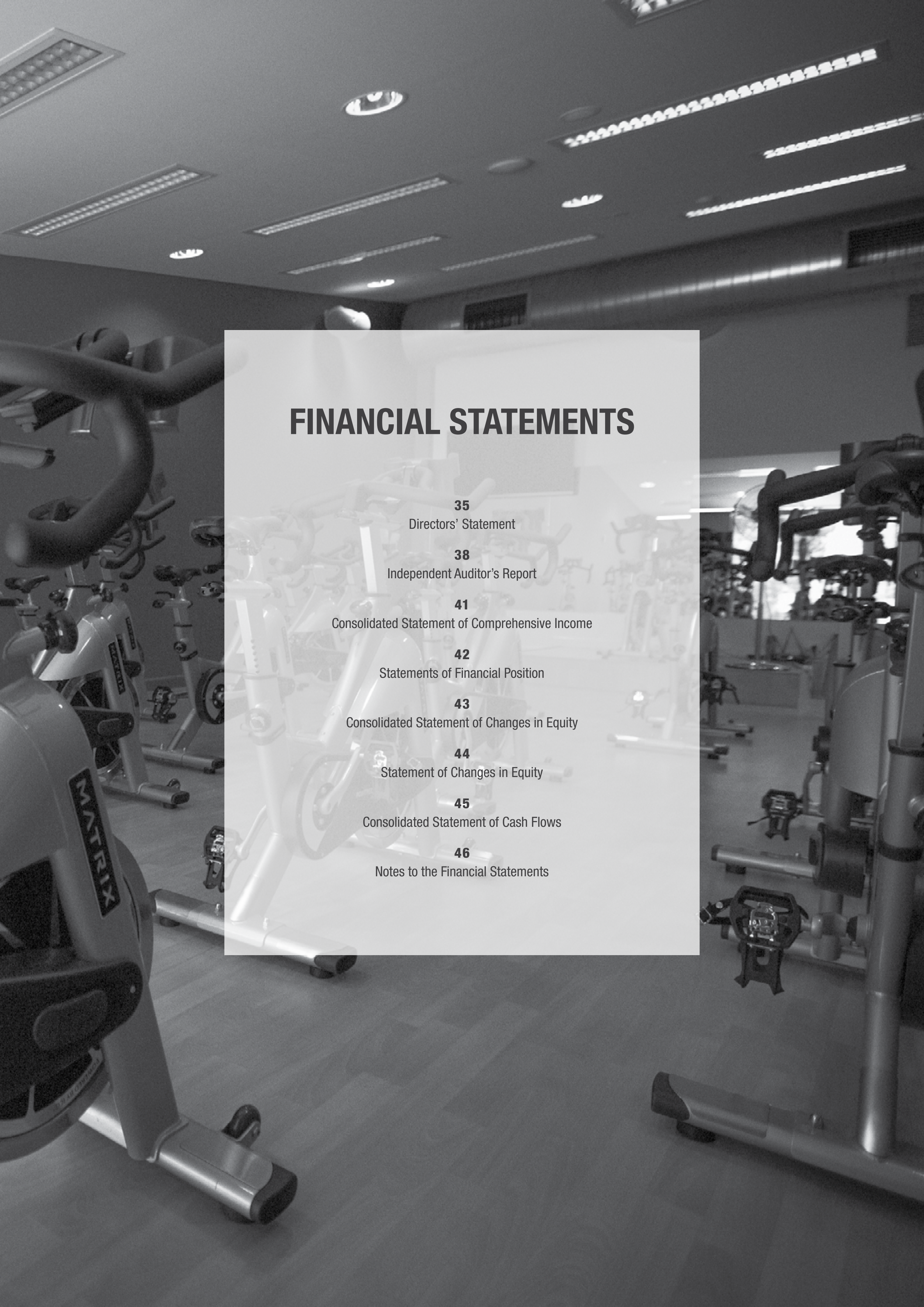
All directors and officers of the Company and the Group are not allowed to deal in the Company's shares whilst in possession of unpublished price sensitive information.

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 and its officers should not deal with 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.

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 FY2017.



FINANCIAL STATEMENTS

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 2017 and the statement of financial position of the Company as at 30 June 2017 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 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 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, 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	(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.

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Act, none of the Directors of the Company holding office at the end of the financial year had any interests in the shares or debentures of the Company and its related corporations except as detailed below:

	Shareholdings registered in the name of Directors/Nominees	
	Balance as at 1.7.2016	**Balance as at 30.6.2017**
The Company	**Number of ordinary shares**	
Dato' Jaya J B Tan	95,868,540	**95,868,540**
Dato' Kamal Y P Tan	99,116,012	**99,116,012**
Tan San Chuan	18,115,336	**18,115,336**
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	39,042,478	**39,042,478**
Teo Chee Seng	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 2017 in the shares of the Company have not changed from those disclosed as at 30 June 2017.

DIRECTORS' STATEMENT

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;

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

8 September 2017

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"), as set out on pages 41 to 99, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2017;
- 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 ofchanges in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2017 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.

KEY AUDIT MATTER	AUDIT RESPONSE
Impairment of tangible and intangible assets	
As at 30 June 2017, the Group has tangible and intangible assets of AUD140.8 million and AUD1.6 million respectively, totalling AUD142.4 million, representing 96% of the Group's total assets. The Group's intangible assets comprise mainly patents and trademarks with indefinite useful life. Under FRSs, the Group is required to carry out impairment assessment on these tangible and intangible assets if there is indication of impairment or annually for intangible assets with indefinite useful life. This impairment test is significant to our audit due to the amounts involved being material to the financial statements and determining the recoverable amounts of these assets requires management's significant judgements and estimation. The Group's disclosures on property, plant and equipment and intangible assets are included in Note 12 and Note 13 respectively.	Our audit procedures focused on evaluating the key assumptions used by management in conducting the impairment assessment review, including reviewing management's assessment of indicators of impairment and determination of the recoverable amount of the assets if there are such indicators. For those assets with indicators of impairment and intangible assets with indefinite useful life, our audit procedures included: • Evaluating the key assumptions used by the management in the discounted cash flow forecasts, in particular the discount rate and growth rates, by comparing them to historical results and performing comparison of the discount rate with other industry players; • Challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; • Performing sensitivity analysis on the key assumptions used in the discounted cash flow forecasts.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LASSETERS INTERNATIONAL HOLDINGS LIMITED

Report on the Audit of 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.

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 FRSs, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LASSETERS INTERNATIONAL HOLDINGS LIMITED

Report on the Audit of the Financial Statements

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 Ng Kian Hui.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
8 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year Ended 30 June 2017

	Note	Group 2017 AUD'000	2016 AUD'000
Continuing operations			
Revenue	4	**56,097**	65,289
Consumables		**(4,856)**	(4,753)
Property development costs		**(2,638)**	(11,356)
Employee benefits expense	5	**(23,260)**	(22,256)
Depreciation expenses	6	**(6,845)**	(6,975)
Villa lease rental		**(1,495)**	(1,492)
Advertising and promotional expenses		**(1,387)**	(1,620)
Gaming tax		**(2,447)**	(2,440)
Other operating expenses		**(9,647)**	(10,238)
Impairment in value of property, plant and equipment		**(134)**	-
Gain on disposal of a subsidiary	30	**-**	603
Finance costs	7	**(4,405)**	(5,052)
Share of losses of joint venture		**(7)**	-
Loss before income tax from continuing operations	8	**(1,024)**	(290)
Income tax expense	9	**(557)**	(371)
Loss for the financial year from continuing operations		**(1,581)**	(661)
Profit for the financial year from discontinued operations	10	**-**	304
Loss for the financial year		**(1,581)**	(357)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(337)**	36
Other comprehensive income for the financial year, net of tax		**(337)**	36
Total comprehensive income for the financial year		**(1,918)**	(321)
Loss for the financial year attributable to:			
Owners of the parent		**(1,598)**	(481)
Non-controlling interests		**17**	124
		(1,581)	(357)
Total comprehensive income for the financial year attributable to:			
Owners of the parent		**(1,920)**	(445)
Non-controlling interests		**2**	124
		(1,918)	(321)
Loss per share from continuing operations attributable to owners of the parent			
- Basic and diluted (AUD cents)	11	**(0.33)**	(0.16)
Earnings per share from discontinued operations attributable to owners of the parent			
- Basic and diluted (AUD cents)	10	**-**	0.06

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		Group		Company	
		2017	2016	2017	2016
	Note	AUD'000	AUD'000	AUD'000	AUD'000
Non-current assets					
Property, plant and equipment	12	**140,803**	144,938	**-**	-
Intangible assets	13	**1,604**	1,604	**-**	-
Investments in subsidiaries	14	**-**	-	**14,555**	14,555
Investment in joint venture	15	**7**	-	**-**	-
Membership rights	16	**38**	38	**38**	38
		142,452	146,580	**14,593**	14,593
Current assets					
Inventories	17	**1,969**	4,882	**-**	-
Trade and other receivables	18	**1,590**	1,137	**17,987**	18,905
Current income tax recoverable		**-**	12	**-**	-
Cash and cash equivalents	19	**2,029**	4,469	**29**	314
		5,588	10,500	**18,016**	19,219
Less:					
Current liabilities					
Trade and other payables	20	**9,664**	11,681	**1,270**	1,284
Provisions for employee entitlements	21	**1,066**	1,112	**-**	66
Bank borrowings - secured	22	**3,600**	4,827	**-**	-
Finance lease payables	23	**1,135**	1,184	**-**	-
Current income tax payable		**389**	215	**-**	-
		15,854	19,019	**1,270**	1,350
Net current (liabilities)/assets		**(10,266)**	(8,519)	**16,746**	17,869
Less:					
Non-current liabilities					
Trade and other payables	20	**230**	225	**-**	-
Provisions for employee entitlements	21	**377**	325	**-**	-
Bank borrowings - secured	22	**64,711**	68,058	**-**	-
Finance lease payables	23	**1,342**	1,827	**-**	-
Deferred tax liabilities	24	**15,677**	15,859	**2**	2
		82,337	86,294	**2**	2
Net assets		**49,849**	51,767	**31,337**	32,460
Equity					
Share capital	25	**57,554**	57,554	**57,554**	57,554
Treasury shares	26	**(426)**	(426)	**(426)**	(426)
Foreign currency translation reserve	27	**(3,750)**	(3,428)	**(1,717)**	(1,717)
Revaluation reserve	28	**46,535**	46,535	**-**	-
Accumulated losses	29	**(50,177)**	(48,579)	**(24,074)**	(22,951)
Equity attributable to owners of the parent		**49,736**	51,656	**31,337**	32,460
Non-controlling interests		**113**	111	**-**	-
Total equity		**49,849**	51,767	**31,337**	32,460

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Financial Year Ended 30 June 2017

Group	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
	Attributable to owners of the parent							
Balance as at 1.7.2016	**57,554**	**(426)**	**(3,428)**	**46,535**	**(48,579)**	**51,656**	**111**	**51,767**
Loss for the financial year	**-**	**-**	**-**	**-**	**(1,598)**	**(1,598)**	**17**	**(1,581)**
Other comprehensive income for the financial year:								
Exchange differences on translating foreign operations	**-**	**-**	**(322)**	**-**	**-**	**(322)**	**(15)**	**(337)**
Total comprehensive income for the financial year	**-**	**-**	**(322)**	**-**	**(1,598)**	**(1,920)**	**2**	**(1,918)**
Balance as at 30.6.2017	**57,554**	**(426)**	**(3,750)**	**46,535**	**(50,177)**	**49,736**	**113**	**49,849**
Balance as at 1.7.2015	57,554	(426)	(3,464)	46,535	(48,098)	52,101	(13)	52,088
Loss for the financial year	-	-	-	-	(481)	(481)	124	(357)
Other comprehensive income for the financial year:								
Exchange differences on translating foreign operations	-	-	36	-	-	36	-	36
Total comprehensive income for the financial year	-	-	36	-	(481)	(445)	124	(321)
Balance as at 30.6.2016	57,554	(426)	(3,428)	46,535	(48,579)	51,656	111	51,767

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

STATEMENT OF CHANGES IN EQUITY

for the Financial Year Ended 30 June 2017

Company	Share capital AUD'000	Treasury shares AUD'000	Foreign currency translation reserve AUD'000	Accumulated losses AUD'000	Total equity AUD'000
Balance as at 1.7.2016	**57,554**	**(426)**	**(1,717)**	**(22,951)**	**32,460**
Loss for the financial year, representing total comprehensive income for the financial year	**-**	**-**	**-**	**(1,123)**	**(1,123)**
Balance as at 30.6.2017	**57,554**	**(426)**	**(1,717)**	**(24,074)**	**31,337**
Balance as at 1.7.2015	57,554	(426)	(1,717)	(22,235)	33,176
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(716)	(716)
Balance as at 30.6.2016	57,554	(426)	(1,717)	(22,951)	32,460

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Financial Year Ended 30 June 2017

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Operating activities		
Loss before income tax from continuing operations	**(1,024)**	(290)
Profit before income tax from discontinued operations	**-**	304
	(1,024)	14
Adjustments for:		
Depreciation expenses	**6,845**	6,975
Gain on disposal of a subsidiary	**-**	(603)
Gain on disposal of property, plant and equipment	**(23)**	-
Impairment in value of property, plant and equipment	**134**	-
Interest expense	**4,399**	5,043
Interest income	**(3)**	(23)
Property, plant and equipment written off	**-**	47
Share of losses of joint venture	**7**	-
Write back of trade payables	**(68)**	(328)
Unrealised foreign currency exchange gain	**(252)**	-
Operating cash flows before working capital changes	**10,015**	11,125
Working capital changes:		
Inventories	**2,913**	(4,291)
Trade and other receivables	**(453)**	436
Property development costs	**-**	13,386
Trade and other payables	**(1,938)**	(6,870)
Cash generated from operations	**10,537**	13,786
Interest received	**3**	23
Interest paid	**(4,399)**	(5,043)
Income tax (paid)/refunded	**(553)**	37
Net cash from operating activities	**5,588**	8,803
Investing activities		
Disposal of a subsidiary, net of cash disposed (Note 30)	**-**	603
Proceeds from disposal of assets classified as held for sale	**-**	3,000
Proceeds from disposal of property, plant and equipment	**23**	-
Purchase of property, plant and equipment (Note 12)	**(1,863)**	(1,822)
Subscription of shares in joint venture	**(17)**	-
Foreign currency translation adjustment	**17**	(11)
Net cash (used in)/from investing activities	**(1,840)**	1,770
Financing activities		
Repayment of bank borrowings	**(4,156)**	(10,006)
Repayment of finance lease obligations	**(1,264)**	(1,051)
Foreign currency translation adjustment	**(15)**	-
Net cash used in financing activities	**(5,435)**	(11,057)
Net change in cash and cash equivalents	**(1,687)**	(484)
Cash and cash equivalents as at the beginning of the financial year	**3,798**	4,246
Currency translation adjustment on cash and cash equivalents	**(82)**	36
Cash and cash equivalents as at the end of the financial year (Note 19)	**2,029**	3,798

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

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

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") is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807. The Company does not have a place of business in Singapore at the date of this report. The Company's registration number is 200402223M.

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.

The consolidated financial statements of the Company and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2017 were authorised for issue by the Board of Directors on 8 September 2017.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS"), including related Interpretations of FRS ("INT FRS"), 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.

Although the Group has a negative working capital of AUD10,266,000 as at 30 June 2017, the consolidated financial statements of the Group have been prepared on the basis that the Group is a going concern as in the opinion of the Directors of the Company, the Group would be able to meet its working capital needs and service debt obligations as and when they fall due without foregoing any necessary future capital expenditure based on its projected cash flows.

The preparation of financial statements in conformity with FRS 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.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Group were issued but not yet effective, and have not been adopted early in these financial statements:

		Effective date (annual periods beginning on or after)
FRS 7 (Amendments)	: Disclosure Initiative	1 January 2017
FRS 12 (Amendments)	: Recognition to Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2018
FRS 115 (Amendments)	: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	: Leases	1 January 2019
INT FRS 122	: Foreign Currency Transactions and Advance Consideration	1 January 2018

Consequential amendments were also made to various standards as a result of these new or revised standards.

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS, where relevant, in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

<u>FRS 109 Financial Instruments</u>

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

The Group has completed its preliminary assessment of classification and measurement of its financial assets and liabilities and does not expect any changes to the classification and measurement of its financial assets and liabilities currently measured at amortised cost.

The financial assets held by the Group which are classified as loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109. Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

Classification and measurement (Continued)

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

Impairment

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

The new impairment requirements are expected to result in changes to and likely increases in impairment loss allowances on trade receivables and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. For other receivables, the Group will initially provide for 12 months expected losses under the three-stage model. The Group is still in the process of determining how it will estimate expected credit losses and the sources of forward-looking data.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

Transition

The Group plans to adopt FRS 109 in the financial year beginning on 1 July 2018 with retrospective effect in accordance with the transitional provisions, and it intends to elect not to restate comparatives for the previous financial year. The Group will include the required additional disclosures in its financial statements for the financial year when FRS 109 is adopted.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Based on the Group's preliminary assessment, the initial adoption of this standard may not have a potentially significant impact on the timing and profile of revenue recognition of the Group as disclosed in Note 2.4 except for the rendering of services in respect of the spa and wellness programs and gym outlets. However, the Group is still in the process of making a detailed assessment on these revenue recognition processes. The Group plans to adopt the standard in the financial year beginning on 1 July 2018 with full retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

FRS 116 Leases

FRS 116 supersedes FRS 17 *Leases* and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the 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 lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 116 Leases (Continued)

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

On adoption of this standard, there may be a potentially significant impact on the accounting treatment for the Group's leases, which the Group, as lessee, currently accounts for as operating leases. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 July 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

Adoption of IFRS-identical financial reporting standards

Singapore-incorporated companies listed on SGX-ST are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") in 2018. The Group will adopt the new framework on 1 July 2018 and will apply the equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards* to the transition. This will involve restating the comparatives for the financial year ended 30 June 2018 and the opening statements of financial position as at 1 July 2017 in accordance with the new framework. The Group is in the process of assessing the impact of transition, including the impact from the adoption of IFRS 9 and 15 which is expected to be similar to the impact of FRS 109 and 115 disclosed above, as well as other transitional adjustments that may be required or elected under IFRS 1.

2.2 Basis of consolidation

The consolidated financial statements incorporate 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 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 control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

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 other members of 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. 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.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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 FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate.

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

<u>Business combinations from 1 July 2009</u>

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 also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 Business Combinations 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 gain.

<u>Business combinations before 1 July 2009</u>

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 (formerly known as minority 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.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations before 1 July 2009 (Continued)

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 measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of business of the Group. Revenue is reduced for estimated customer returns, rebates, sales related taxes and other similar allowances.

Revenue from gaming is recognised upon the results of a game being determined when the amount of revenue can be measured reliably and it is probable that it will be received by the Group.

Revenue from food and beverages is recognised upon the billing of food and beverages to customers.

Revenue from rendering of services which include accommodation, convention centre and spa and wellness are recognised when the service is rendered.

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Normally these criteria are met when the goods are delivered to and accepted by the buyer.

Revenue from sale of completed development properties is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The Group has a customer loyalty programme whereby casino patrons are awarded credits known as "Points" entitling casino patrons to the right to redeem throughout the property. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to utilise throughout the property. Such amount is deferred and revenue is recognised when the Points are redeemed and the Group has fulfilled its obligations to provide services. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in the property. Deferred revenue is released to revenue when it is no longer considered probable that the Points will be redeemed.

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 costs that it is intended to compensate.

2. Summary of significant accounting policies (Continued)

2.6 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.

2.7 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 tax 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.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the 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.

2. Summary of significant accounting policies (Continued)

2.7 Taxes (Continued)

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.

2.8 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.

2.9 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.

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, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

2. Summary of significant accounting policies (Continued)

2.10 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 on the revaluation of such land and buildings is 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.

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 cost or valuation 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 in 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.

2. Summary of significant accounting policies (Continued)

2.10 Property, plant and equipment (Continued)

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.

2.11 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.

2.12 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.

2.13 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. 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 2017

2. Summary of significant accounting policies (Continued)

2.13 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.

2.14 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.

2.15 Inventories

(a) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(b) 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.

2. Summary of significant accounting policies (Continued)

2.16 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.

2.17 Development properties

Property development costs

Development properties are held or developed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Property development costs include:

(i) Leasehold land;
(ii) Amounts paid to contractors for construction; and
(iii) Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs that can be allocated on a reasonable basis to these activities.

Where property is under development and agreement has been reached to sell such property when the construction is complete, the management considers whether the contract comprises:

- A contract to construct a property; or
- A contract for the sale of a completed property.

When a contract is judged to be for construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. completed contract method).

If, however, the legal terms of the contract are such that the construction represents continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition method is applied and revenue is recognised as work progresses.

Completed contract method

All revenue, expenses and income will only be recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. If total contract cost exceeds total contract revenue, the amount of expected loss will be recognised immediately in profit or loss.

Revenue from property development will be recognised under the completed contract method as the ownership of the real estate will be transferred to the buyer upon completion of the property.

Property development costs are held as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables. Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables.

2. Summary of significant accounting policies (Continued)

2.18 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Financial assets are initially measured at fair value plus transaction costs.

The Group classifies its financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables (other than prepayments and goods and services taxes recoverable) and cash and cash equivalents.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.18 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 pursuant to the employee share option scheme, 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 its financial liabilities as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables (excluding deferred revenue, gaming tax, payroll tax, superannuation and goods and services taxes 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 2.6).

Financial guarantee contracts

The Company has issued corporate guarantee to a bank for borrowings of a subsidiary and this guarantee qualify as financial guarantees because the Company is required to reimburse the bank if the subsidiary breaches any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with *FRS 37 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with *FRS 18 Revenue*.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

2. Summary of significant accounting policies (Continued)

2.18 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

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.

2.19 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.

2.20 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.

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.

2.21 Leases

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.

2. Summary of significant accounting policies (Continued)

2.21 Leases (Continued)

Finance leases (Continued)

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 2.6).

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.

2.22 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.

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 financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 on determining when an investment in subsidiary or a financial asset 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 or the fair value of a financial asset is less than its carrying amount and the financial health of the near-term business outlook for the investment or financial asset, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

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

3.2 Key sources of estimation uncertainty (Continued)

(i) 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 2017 was AUD130,319,000 (2016: AUD134,149,000).

(ii) Impairment of patents and trademarks and product development costs with indefinite useful life

The management determines whether patents and trademarks and product development costs with indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the patents and trademarks and product development costs with indefinite useful life are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the Group's patents and trademarks and product development costs with indefinite useful life as at 30 June 2017 were AUD1,591,000 (2016: AUD1,591,000) and AUD13,000 (2016: AUD13,000) respectively. Details of the value in use calculations are provided in Note 13 to the financial statements.

(iii) Income taxes

The Group has exposure to income taxes in numerous 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.

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 2017, the carrying amounts of the Group's current income tax payable, current income tax recoverable and deferred tax liabilities were AUD389,000 (2016: AUD215,000), Nil (2016: AUD12,000) and AUD15,677,000 (2016: AUD15,859,000) respectively.

4. Revenue

	Continuing operations		Discontinued operations		Total	
Group	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Gaming	**22,057**	22,155	**-**	-	**22,057**	22,155
Accommodation	**7,142**	6,962	**-**	-	**7,142**	6,962
Food and beverages	**9,961**	10,336	**-**	-	**9,961**	10,336
Spa and wellness	**7,723**	7,978	**-**	-	**7,723**	7,978
Convention centre	**2,697**	2,407	**-**	-	**2,697**	2,407
Development properties	**3,345**	12,286	**-**	-	**3,345**	12,286
Others	**3,172**	3,165	**-**	9	**3,172**	3,174
	56,097	65,289	**-**	9	**56,097**	65,298

5. Employee benefits expense

	Continuing operations		Discontinued operations		Total	
Group	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Wages, salaries and bonuses	**18,923**	18,236	**-**	-	**18,923**	18,236
Superannuation	**1,678**	1,596	**-**	-	**1,678**	1,596
Payroll tax	**1,054**	1,036	**-**	-	**1,054**	1,036
Provision made for employee entitlements	**898**	681	**-**	-	**898**	681
Staff amenities	**442**	374	**-**	-	**442**	374
Contributions to defined contribution plans	**24**	25	**-**	-	**24**	25
Other social expenses and employee benefits	**241**	308	**-**	-	**241**	308
	23,260	22,256	**-**	-	**23,260**	22,256

These expenses include the amounts shown as key management personnel remuneration in Note 31 to the financial statements.

6. Depreciation expenses

	Continuing operations		Discontinued operations		Total	
Group	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Depreciation expenses	**6,845**	6,975	**-**	-	**6,845**	6,975

7. Finance costs

	Continuing operations		Discontinued operations		Total	
Group	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Interest expenses on						
- commercial bills	**3,122**	3,432	**-**	-	**3,122**	3,432
- finance leases	**151**	174	**-**	-	**151**	174
- bank overdrafts	**1,065**	1,317	**-**	-	**1,065**	1,317
- bank loans	**56**	111	**-**	-	**56**	111
- others	**5**	9	**-**	-	**5**	9
	4,399	5,043	**-**	-	**4,399**	5,043
Bank charges	**6**	9	**-**	4	**6**	13
	4,405	5,052	**-**	4	**4,405**	5,056

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for the Financial Year Ended 30 June 2017

8. Loss before income tax

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

	Continuing operations		Discontinued operations		Total	
	2017	2016	2017	2016	2017	2016
Group	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000
Audit fees						
- auditor of the Company	**82**	81	**-**	-	**82**	81
- other auditors (member firms of BDO International Limited)	**151**	154	**-**	-	**151**	154
Foreign exchange (gain)/loss, net	**(169)**	12	**-**	-	**(169)**	12
Impairment in value of property, plant and equipment	**134**	-	**-**	-	**134**	-
Insurance	**288**	319	**-**	-	**288**	319
Interest income from banks	**-**	(23)	**-**	-	**-**	(23)
Gain on disposal of a subsidiary	**-**	(603)	**-**	-	**-**	(603)
Gain on disposal of property, plant and equipment	**(23)**	-	**-**	-	**(23)**	-
Government subsidies	**(200)**	(200)	**-**	-	**(200)**	(200)
Non-audit fees to auditors of the subsidiaries	**50**	85	**-**	-	**50**	85
Operating lease expenses, exclude villa lease rental	**366**	427	**-**	-	**366**	427
Printing and stationery	**221**	193	**-**	-	**221**	193
Professional fees	**118**	208	**-**	-	**118**	208
Property, plant and equipment written off	**-**	47	**-**	-	**-**	47
Repairs and maintenance	**1,039**	1,175	**-**	-	**1,039**	1,175
Requisites and supplies	**904**	672	**-**	-	**904**	672
Sponsorships and complimentaries	**716**	767	**-**	-	**716**	767
Subscription	**181**	203	**-**	-	**181**	203
Telecommunication	**232**	251	**-**	-	**232**	251
Travel agent commission	**591**	550	**-**	-	**591**	550
Travelling and transportation	**299**	157	**-**	-	**299**	157
Utilities	**2,998**	3,065	**-**	-	**2,998**	3,065
Write back of trade payables	**(68)**	-	**-**	(328)	**(68)**	(328)

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

9. Income tax

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Continuing operations		
Current income tax		
- current financial year	**674**	228
- (over)/under provision in prior financial years	**(12)**	29
	662	257
Withholding tax		
- current financial year	**77**	93
Deferred tax (Note 24)		
- current financial year	**(263)**	6
- under provision in prior financial years	**81**	15
	(182)	21
Total income tax expense recognised in profit or loss	**557**	371
Reconciliation of effective tax rate		
Loss before income tax from continuing operations	**(1,024)**	(290)
Profit before income tax from discontinued operations (Note 10)	**-**	304
	(1,024)	14
Income tax calculated at Australia's statutory tax rate of 30% (2016: 30%)	**(307)**	4
Effect of different tax rates in other countries	**139**	(35)
Tax effect of income not subject to tax	**(11)**	(124)
Tax effect of expenses not deductible for income tax purposes	**187**	259
Withholding tax	**77**	93
(Over)/Under provision of current income tax in prior financial years	**(12)**	29
Under provision of deferred tax prior financial years	**81**	15
Deferred tax assets not recognised in profit or loss	**403**	431
Utilisation of previously unrecognised deferred tax assets	**-**	(301)
	557	371

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for the Financial Year Ended 30 June 2017

10. Discontinued operations and assets/liabilities classified as held for sale

On 19 July 2013, the Company's subsidiaries, Cypress Lakes Group Limited, Cypress Lakes Villa Management Pty Limited, Cypress Resort Management Pty Ltd, Cypress Lakes Golf and Country Club Pty Limited and The Golden Door Resort Spa – Cypress Lakes Pty Ltd (collectively known as the "CLG Group") entered into a conditional sale and purchase agreement with Hunter Valley (CL) Management Pty Ltd (the "Purchaser") for the disposal of the property, assets and business of the CLG Group, comprising, inter alia, freehold interests in lands, villa leases, golf course business and development lands (the "Disposal Assets"). These properties and assets are located at Cnr McDonalds and Thompsons Rd, Pokolbin Hunter Valley NSW 2320 ("Cypress Lakes Resorts"). The disposal was completed on 21 October 2013 for an aggregate purchase consideration of AUD7.4 million. Ancillary to the completion of the disposal, a put and call option agreement was entered into with the Purchaser for the disposal of lands at Cypress Lakes Resort, with the expiry being two years from the date of completion or 20 October 2015, for a consideration of AUD3.0 million. On 19 October 2015, the Purchaser exercised the call option by entering into a binding and enforceable agreement with the CLG Group for the sale and purchase of the remaining assets and the sale was completed on 3 November 2015 upon settlement of the consideration of AUD3.0 million.

The results of the discontinued operations were as follows:

	Note	Group 2016 AUD'000
Revenue	4	9
Employee benefits expense	5	-
Other operating expenses		(29)
Write back of trade payables		328
Finance costs	7	(4)
Profit before income tax from discontinued operations	8	304
Income tax	9	-
Profit for the financial year attributable to owners of the parent		304
Basic and diluted earnings per share (AUD cents)		0.06

The cash flows of the discontinued operations included in the consolidated statement of cash flows were as follows:

	Group 2016 AUD'000
Cash flows used in discontinued operations	
Operating activities, representing net change in cash and cash equivalents	(90)

11. Loss per share

The calculations for loss per share are based on:

	Note	Group 2017 AUD'000	Group 2016 AUD'000
Loss for the financial year attributable to owners of the parent		**(1,598)**	(481)
Continuing operations		**(1,598)**	(785)
Discontinued operations	10	**-**	304
		(1,598)	(481)
Number of fully-paid ordinary shares in issue during the financial year applicable to loss per share		**483,170,542**	483,170,542
Basic and diluted loss per share (AUD cents)		**(0.33)**	(0.10)
Continuing operations:			
Basic and diluted loss per share (AUD cents)		**(0.33)**	(0.16)

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 2017

12. Property, plant and equipment

Group	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
Cost or valuation						
Balance as at 1.7.2016	10,000	149,714	28,671	4,403	789	193,577
Reclassification	-	1,226	587	(371)	(1,442)	-
Additions	-	381	553	790	1,137	2,861
Disposal	-	-	-	(374)	-	(374)
Written off	-	(401)	(3,464)	-	-	(3,865)
Currency translation differences	-	-	(3)	(58)	-	(61)
Balance as at 30.6.2017	10,000	150,920	26,344	4,390	484	192,138
Representing:						
Cost	-	-	26,344	4,390	484	31,218
Valuation	10,000	150,920	-	-	-	160,920
	10,000	150,920	26,344	4,390	484	192,138
Accumulated depreciation						
Balance as at 1.7.2016	-	25,921	16,283	2,213	-	44,417
Depreciation for the financial year	-	4,506	1,583	756	-	6,845
Reclassification	-	-	234	(234)	-	-
Disposal	-	-	-	(374)	-	(374)
Written off	-	(401)	(3,464)	-	-	(3,865)
Currency translation differences	-	-	(2)	(42)	-	(44)
Balance as at 30.6.2017	-	30,026	14,634	2,319	-	46,979
Allowance for impairment in value						
Balance as at 1.7.2016	-	3,947	275	-	-	4,222
Impairment for the year	-	134	-	-	-	134
Balance as at 30.6.2017	-	4,081	275	-	-	4,356
Carrying amount						
Balance as at 30.6.2017	10,000	116,813	11,435	2,071	484	140,803

12. Property, plant and equipment (Continued)

Group	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
Cost or valuation						
Balance as at 1.7.2015	10,000	149,990	30,586	3,243	137	193,956
Reclassification	-	1,074	620	(395)	(1,299)	-
Additions	-	195	461	1,554	1,951	4,161
Written off	-	(1,545)	(2,996)	-	-	(4,541)
Currency translation differences	-	-	-	1	-	1
Balance as at 30.6.2016	10,000	149,714	28,671	4,403	789	193,577
Representing:						
Cost	-	-	28,671	4,403	789	33,863
Valuation	10,000	149,714	-	-	-	159,714
	10,000	149,714	28,671	4,403	789	193,577
Accumulated depreciation						
Balance as at 1.7.2015	-	21,595	16,582	1,638	-	39,815
Depreciation for the financial year	-	4,425	1,965	585	-	6,975
Reclassification	-	(19)	19	-	-	-
Written off	-	(80)	(2,283)	-	-	(2,363)
Currency translation differences	-	-	-	(10)	-	(10)
Balance as at 30.6.2016	-	25,921	16,283	2,213	-	44,417
Allowance for impairment in value						
Balance as at 1.7.2015	-	5,412	941	-	-	6,353
Written off	-	(1,465)	(666)	-	-	(2,131)
Balance as at 30.6.2016	-	3,947	275	-	-	4,222
Carrying amount						
Balance as at 30.6.2016	10,000	119,846	12,113	2,190	789	144,938

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

12. Property, plant and equipment (Continued)

Company	Plant and equipment AUD'000
Cost	
Balance as at 1.7.2016 and 30.6.2017	**27**
Accumulated depreciation	
Balance as at 1.7.2016 and 30.6.2017	**27**
Carrying amount	
Balance as at 30.6.2017	**-**
Cost	
Balance as at 1.7.2015 and 30.6.2016	27
Accumulated depreciation	
Balance as at 1.7.2015	26
Depreciation for the financial year	1
Balance as at 30.6.2016	27
Carrying amount	
Balance as at 30.6.2016	-

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment due to continuing operating losses incurred by certain subsidiaries. The review led to the recognition of an impairment loss of AUD134,000 (2016: Nil) that has been recognised in the Group's profit or loss.

The freehold land and freehold buildings/licensed casino of the Group were revalued in the previous financial years using the discounted cash flow method by forecasting future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The higher the discount rate, the lower is the fair value. The fair value measurement is based on the properties' highest and best use, which does not differ from their actual use. The fair value is considered level 3 recurring fair value measurement.

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

	Freehold land		**Freehold buildings/licensed casino**	
Group	**2017 AUD'000**	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Cost	**3,685**	3,685	**79,019**	77,832
Accumulated depreciation	**-**	-	**(18,069)**	(15,473)
Allowance for impairment in value	**-**	-	**(4,081)**	(3,947)
Carrying amount	**3,685**	3,685	**56,869**	58,412

12. Property, plant and equipment (Continued)

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	
	2017	**2016**
	AUD'000	**AUD'000**
Freehold land	**10,000**	10,000
Freehold buildings/licensed casino	**116,813**	119,846
Plant and equipment	**11,317**	12,107
	138,130	141,953

As at the end of the financial year, the carrying amount of plant and equipment which were acquired under finance lease agreements as set out in Note 23 to the financial statements were as follows:

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Leased assets and leasehold improvements	**2,071**	2,190

Finance leased assets are pledged as security for the related finance lease liabilities.

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

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Additions of property, plant and equipment	**2,861**	4,161
Acquired under bank borrowings	**(253)**	(799)
Acquired under finance lease agreements	**(745)**	(1,540)
Cash payments to acquire property, plant and equipment	**1,863**	1,822

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

12. Property, plant and equipment (Continued)

As at 30 June 2017, the Group's freehold properties were 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
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 30 June 2017, the Group's leasehold interests were as follows:

Location	Description	Existing use	Tenure of land (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

13. Intangible assets

Group	Patents and trademarks AUD'000	Product development costs AUD'000	Total AUD'000
Cost			
Balance as at 1.7.2015, 30.6.2016, 1.7.2016 and 30.6.2017	**1,591**	**57**	**1,648**
Allowance for impairment in value			
Balance as at 1.7.2015, 30.6.2016, 1.7.2016 and 30.6.2017	**-**	**44**	**44**
Carrying amount			
Balance as at 30.6.2016 and 30.6.2017	**1,591**	**13**	**1,604**

13. Intangible assets (Continued)

As at the end of the financial year, the carrying amounts of intangible assets which have been pledged as security for the bank facilities as set out in Note 22 to the financial statements were as follows:

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Patents and trademarks	**1,591**	1,591
Product development costs	**13**	13
	1,604	1,604

Impairment tests for patents and trademarks and product development costs with indefinite useful life

Patents and trademarks and product development costs with indefinite useful life have been allocated to the Group's cash-generating units, which are reportable segments, for impairment testing in casino and spa and wellness segments.

Carrying amounts of patents and trademarks and product development costs with indefinite useful life allocated to each of the Group's cash-generating units are as follows:

	Casino		Spa and Wellness		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	AUD'000	**AUD'000**	**AUD'000**	**AUD'000**	**AUD'000**	**AUD'000**
Patents and trademarks	**6**	6	**1,585**	1,585	**1,591**	1,591
Product development costs	**-**	-	**13**	13	**13**	13
	6	6	**1,598**	1,598	**1,604**	1,604

The recoverable amount from the Spa and Wellness cash-generating unit is valued based on a value-in-use calculation using cash flow projections on financial budgets covering a 5-year (2016: 5-year) period based on past performance and their expectations of the market development. The pre-tax discount rate applied to the cash flow projections is 13% (2016: 14%) and reflect specific risks relating to the segment. The growth rate used to extrapolate the cash flows beyond the 1-year period is based on revenue growth rate of 7% (2016: between 2% to 7.8%).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

Discount rate	Increase from 13% to 21%
Revenue growth rate	Decrease from 7% to 0%
Key operating expenses	Increase by 15%

14. Investments in subsidiaries

	Company	
	2017	**2016**
	AUD'000	**AUD'000**
Unquoted equity shares in corporations, at cost	**26,202**	26,202
Less: Allowance for impairment in value	**(11,647)**	(11,647)
	14,555	14,555

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

14. Investments in subsidiaries (Continued)

Movement in allowance for impairment in value during the financial year was as follows:

	Company	
	2017 AUD'000	2016 AUD'000
Balance as at the beginning of the financial year	**11,647**	11,890
Disposal of a subsidiary	**-**	(243)
Balance as at the end of the financial year	**11,647**	11,647

As at the end of 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, the allowance as at the end of the financial year is adequate.

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		Proportion of ownership interest held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %
	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	**-**	-
[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	**100**	100	**-**	-
	Held by Lasseters International Pte. Ltd.						
[2]	Lasseters Seaford Hotel Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-

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		Proportion of ownership interest held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %
	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	**-**	-
	Held by Lasseters Seaford Hotel Pty Ltd						
[2]	Lasseters Valley Pty Ltd	Australia	Investment holding company	**100**	100	**-**	-
	Held by Lasseters CLG Pty Ltd						
[2],[4]	Cypress Lakes Group Limited	Australia	Properties holding, golf course and club and the Golden Door spa and wellness	**100**	100	**-**	-
	Held by Cypress Lakes Group Limited						
[2],[4]	Cypress Lakes Golf and Country Club Pty Limited	Australia	Provision of golf course and club management	**100**	100	**-**	-
[2],[4]	Cypress Lakes Property Pty Limited	Australia	Properties holding, provision of hotel accommodation, food and beverages business	**100**	100	**-**	-
[2],[4]	The Golden Door Pty Limited	Australia	Provision of spa and wellness services	**100**	100	**-**	-
[2],[4]	The Golden Door Holdings Pty Ltd	Australia	Provision of spa and wellness services	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

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		Proportion of ownership interest held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %
	Held by The Golden Door Pty Limited						
[2],[4]	The Golden Door Health Retreat – Elysia Pty Limited	Australia	Provision of spa and wellness services	**100**	100	**-**	-
[5]	The Golden Door Spa at Salt Pty Ltd	Australia	Provision of day spa services	**-**	100	**-**	-
[2],[4]	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, Chartered Accountants, Malaysia, a member firm of BDO International Limited

[4] As at 30 June 2017 and 30 June 2016, effective equity interest held by the Group was at 99.90%, rounded up to 100%.

[5] Voluntarily deregistered during the financial year ended 30 June 2017.

Acquisition of a subsidiary

On 16 June 2016, the Company acquired a shelf company, Lasseters Properties Sdn. Bhd. (“LPSB”), which was incorporated on 26 May 2016, by acquiring its entire share capital for a total consideration of RM2,396 (equivalent to AUD802). The principal activities of LPSB are those of properties and investment holding activities.

14. Investments in subsidiaries (Continued)

Non-controlling interests

Summarised financial information in relation to the subsidiaries that have non-controlling interests ("NCI") that are material to the Group, after intra-group eliminations and together with amounts attributed to NCI, is presented below:

	Merry Palms Sdn. Bhd.	
	2017 AUD'000	**2016 AUD'000**
Revenue	**3,380**	12,340
Profit before income tax	**242**	625
Income tax	**(150)**	-
Profit for the financial year	**92**	625
Profit allocated to NCI	**18**	125
Other comprehensive income allocated to NCI	**(15)**	3
Total comprehensive income allocated to NCI	**3**	128
Cash flows from operating activities	**916**	3,150
Cash flows used in financing activities	**(1,064)**	(2,526)
Net cash (outflows)/inflows	**(148)**	624
Assets:		
Current assets	**1,759**	5,062
Liabilities:		
Current liabilities	**(1,099)**	(4,420)
Net assets	**660**	642
Accumulated non-controlling interests	**131**	128

15. Investment in joint venture

	Group
	2017 AUD'000
Unquoted equity shares, at cost	**17**
Share of post-acquisition results	**(7)**
Share of foreign currency translation reserve	**(3)**
	7

15. Investment in joint venture (Continued)

The 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 2017 %	2016 %
Super Ace Resources Sdn. Bhd. [1]	Malaysia	Property development, properties and investment holdings	**55**	-

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

Acquisition of equity interest in joint venture

On 25 August 2016, the Group through its subsidiaries, Lasseters Properties Sdn. Bhd. ("LPSB") and Lasseters Management (M) Sdn. Bhd. ("LMSB") entered into a joint venture agreement with Paramount Corporation Berhad ("PCB") to jointly develop, own and operate a hotel located in Glenmarie, Shah Alam, Malaysia. Under the terms of the joint venture agreement, LPSB and LMSB will collectively hold 55% equity interest in Super Ace Resources Sdn. Bhd. whilst PCB will hold the remaining 45% equity interest.

Summarised financial information of the joint venture is presented below:

	2017 AUD'000
Loss before income tax	(13)
Income tax	-
Loss for the financial year, representing total comprehensive income for the financial year	(13)
Assets:	
Non-current assets	61
Current assets	104
	165
Liabilities:	
Current liabilities	(152)
Net assets	13

The information above reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

16. Membership rights

	Group and Company 2017 AUD'000	2016 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.

17. Inventories

	Group	
	2017 AUD'000	2016 AUD'000
Completed properties held for sale	**1,069**	4,056
Consumables	**900**	826
	1,969	4,882

The cost of consumables recognised as an expense in profit or loss amounted to AUD4,856,000 (2016: AUD4,753,000).

Completed properties held for sale of AUD1,069,000 (2016: Nil) and consumables of AUD900,000 (2016: AUD826,000) of the Group have been pledged as security for the bank facilities as set out in Note 22 to the financial statements.

18. Trade and other receivables

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Trade receivables	**943**	1,133	**-**	-
Less: Allowance for impairment in value	**-**	(491)	**-**	-
	943	642	**-**	-
Other receivables	**298**	181	**2**	3
Prepayments	**349**	314	**-**	10
Due from subsidiaries				
- trade	**-**	-	**2,349**	4,013
- non-trade	**-**	-	**12,547**	12,450
- loans	**-**	-	**20,802**	20,152
Less: Allowance for impairment in value	**-**	-	**(17,713)**	(17,723)
	-	-	**17,985**	18,892
	1,590	1,137	**17,987**	18,905

Movements in allowance for impairment in value during the financial year were as follows:

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Balance as at the beginning of the financial year	**491**	491	**17,723**	21,484
Reversal of impairment in value during the financial year	**-**	-	**-**	(68)
Impairment written off against allowance	**(491)**	-	**(10)**	(3,693)
Balance as at the end of the financial year	**-**	491	**17,713**	17,723

Trade receivables are non-interest bearing and generally on 15 to 90 (2016: 15 to 90) days' credit terms.

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

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18. Trade and other receivables (Continued)

Trade and other receivables of AUD1,111,000 (2016: AUD755,000) of the Group are held as securities by way of floating charge for the bank facilities as set out in Note 22 to the financial statements.

Impairment of trade receivables arose mainly from customers who have difficulty in settling the amount due.

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 (2016: 7) days. Amount outstanding for more than 7 days bear interest at 3% (2016: 3%) per annum.

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.

Impairment of amounts due from subsidiaries arose mainly from working capital loan to subsidiaries which have suffered losses from their operations.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2017 AUD'000	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Australian dollar	**1,450**	1,062	**17,571**	18,481
Singapore dollar	**8**	9	**63**	37
Malaysian ringgit	**132**	66	**353**	387
	1,590	1,137	**17,987**	18,905

19. Cash and cash equivalents

	Group		Company	
	2017 AUD'000	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Fixed deposit	**-**	875	**-**	-
Cash and bank balances	**2,029**	3,594	**29**	314
Cash and cash equivalents as per statement of financial position	**2,029**	4,469	**29**	314
Bank overdrafts (Note 22)	**-**	(671)		
Cash and cash equivalents as per consolidated statement of cash flows	**2,029**	3,798		

The fixed deposit bears interest at 2.5% (2016: 2.5%) per annum and was placed on daily rollover basis.

Cash and bank balances of approximately AUD1,961,000 (2016: AUD3,441,000) bear interest from 0.01% to 1.5% (2016: 0.01% to 1.95%) per annum.

Cash and cash equivalents of AUD1,866,000 (2016: AUD2,670,000) 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.

19. Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Australian dollar	**1,884**	3,237	**2**	46
Singapore dollar	**27**	267	**27**	268
Malaysian ringgit	**118**	965	**-**	-
	2,029	4,469	**29**	314

20. Trade and other payables

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Current liabilities				
Trade payables	**3,069**	5,226	**-**	-
Due to subsidiaries				
- trade	**-**	-	**487**	463
- non-trade	**-**	-	**511**	518
	-	-	**998**	981
Deferred revenue	**1,641**	1,235	**-**	-
Other payables and accruals	**4,709**	4,982	**272**	303
Gaming tax payables	**210**	202	**-**	-
Due to related parties (non-trade)	**35**	36	**-**	-
	9,664	11,681	**1,270**	1,284
Non-current liabilities				
Other payables	**230**	225	**-**	-
	9,894	11,906	**1,270**	1,284

Trade payables are non-interest bearing and are normally settled between 7 to 45 (2016: 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 (2016: 7) days. Amount outstanding for more than 7 days bear interest at 7.5% (2016: 7.5%) per annum.

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 30 June 2017

20. Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2017 AUD'000	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Australian dollar	**7,903**	8,426	**511**	518
Singapore dollar	**411**	292	**272**	286
Malaysian ringgit	**1,580**	3,188	**487**	480
	9,894	11,906	**1,270**	1,284

21. Provisions for employee entitlements

	Group		Company	
	2017 AUD'000	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Current liabilities	**1,066**	1,112	**-**	66
Non-current liabilities	**377**	325	**-**	-
	1,443	1,437	**-**	66

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

	Group		Company	
	2017 AUD'000	**2016 AUD'000**	**2017 AUD'000**	**2016 AUD'000**
Balance as at the beginning of the financial year	**1,437**	1,598	**66**	66
Provision made/(reversed) during the financial year	**898**	681	**(66)**	-
Provision utilised	**(892)**	(842)	**-**	-
Balance as at the end of the financial year	**1,443**	1,437	**-**	66

22. Bank borrowings – secured

	Group	
	2017 AUD'000	**2016 AUD'000**
Current liabilities		
Bank overdrafts (Note 19)	**-**	671
Term loans	**-**	556
Commercial bills	**3,600**	3,600
	3,600	4,827
Non-current liabilities		
Commercial bills	**64,711**	68,058
	64,711	68,058
	68,311	72,885

22. Bank borrowings – secured (Continued)

Non-current bank borrowings are repayable as follows:

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
In the second year	**64,711**	3,600
In the third year	**-**	64,458
	64,711	68,058

As at 30 June 2017, bank overdrafts bear interest from 7.15% to 8.60% (2016: 8.10% to 8.35%) per annum and are repayable on demand.

Term loans borne interest from 8.10% to 8.35% per annum in the previous financial year and have been fully repaid during the financial year.

As at 30 June 2017, commercial bills bear interest from 5.26% to 6.23% (2016: 5.30% to 6.23%) per annum and are repayable by 31 August 2018 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.;

(b) registered charge over completed properties held for sale (2016: registered mortgage over the leasehold land) of Merry Palms Sdn. Bhd.;

(c) corporate guarantee for AUD1,242,000 equivalent or RM4,100,000 (2016: AUD6,955,000 equivalent or RM20,786,000) executed by the Company; and

(d) blanket assignment of rental proceeds.

Commercial bills:

(a) fixed and floating charges over the whole assets of Ford Dynasty Pty Ltd, Lasseters Holdings Pty Ltd, Cypress Lakes Group 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 and The Golden Door Health Retreat – Elysia Pty Limited;

(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 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 AUD43,613,000 (2016: AUD47,212,000) 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 (2016: 1 to 6 months).

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22. Bank borrowings – secured (Continued)

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

	Group	
	2017 **AUD'000**	**2016** **AUD'000**
Commercial bills	**59,027**	62,566

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	
	2017 **AUD'000**	**2016** **AUD'000**
Australian dollar	**68,311**	71,658
Malaysian ringgit	**-**	1,227
	68,311	72,885

The Group has banking facilities as follows:

	Group	
	2017 **AUD'000**	**2016** **AUD'000**
Banking facilities granted	**71,981**	74,743
Banking facilities utilised	**67,411**	72,885

23. Finance lease payables

Group	**Minimum lease payments AUD'000**	**Future finance charges AUD'000**	**Present value of minimum lease payments AUD'000**
2017			
Not later than one year	**1,237**	**(102)**	**1,135**
Later than one year and not later than five years	**1,422**	**(80)**	**1,342**
	2,659	**(182)**	**2,477**
2016			
Not later than one year	1,318	(134)	1,184
Later than one year and not later than five years	1,939	(112)	1,827
	3,257	(246)	3,011

23. Finance lease payables (Continued)

	Group	
	2017	2016
	%	%
Effective interest rates	**4.60 – 10.23**	5.01 – 10.23

The lease terms range from 1 to 6 years (2016: 1 to 5 years).

Interest rates are fixed at the contract date, and expose the Group to fair value interest rate risk. All finance leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

The fair value of the Group's lease obligations approximates their carrying amount.

Finance lease payables are denominated in the following currencies:

	Group	
	2017	2016
	AUD'000	AUD'000
Australian dollar	**2,171**	2,847
Malaysian ringgit	**306**	164
	2,477	3,011

24. Deferred tax liabilities

	Group		Company	
	2017	2016	2017	2016
	AUD'000	AUD'000	AUD'000	AUD'000
Balance as at the beginning of the financial year	**15,859**	15,838	**2**	2
(Credited)/Charged to profit or loss (Note 9)	**(182)**	21	**-**	-
Balance as at the end of the financial year	**15,677**	15,859	**2**	2

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

	Group		Company	
	2017	2016	2017	2016
	AUD'000	AUD'000	AUD'000	AUD'000
Provisions for employee entitlements	**461**	444	**-**	-
Accruals	**59**	100	**-**	-
Revaluation surplus	**(25,680)**	(25,680)	**-**	-
Property, plant and equipment	**2,257**	1,990	**-**	-
Capital loss	**7,230**	7,230	**-**	-
Other temporary differences	**(4)**	57	**(2)**	(2)
	(15,677)	(15,859)	**(2)**	(2)

NOTES TO THE FINANCIAL STATEMENTS
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24. Deferred tax liabilities (Continued)

	Group	
	2017	**2016**
	AUD'000	**AUD'000**
Unrecognised deferred tax assets		
Balance as at the beginning of the financial year	**31,303**	41,275
Amount not recognised:		
- current financial year	**403**	524
Utilisation of previously unrecognised deferred tax assets	**-**	(301)
Closure of subsidiaries	**-**	(1,672)
Disposal of a subsidiary (Note 30)	**-**	(8,523)
Balance as at the end of the financial year	**31,706**	31,303
Unrecognised deferred tax assets arise as a result of:		
Unutilised tax losses	**24,742**	24,339
Property, plant and equipment	**6,290**	6,290
Provision for employee entitlements	**402**	402
Other temporary differences	**272**	272
	31,706	31,303

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 AUD82,471,000 (2016: AUD81,129,000) 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 total losses of approximately AUD82,471,000 (2016: AUD81,129,000) 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 2.7 to the financial statements. These tax losses have no expiry date subject to the conditions imposed by law.

25. Share capital

	Group and Company			
	2017		**2016**	
	SGD'000	**AUD'000**	**SGD'000**	**AUD'000**
Issued and fully-paid				
486,718,542 ordinary shares 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.

26. Treasury shares

	Group and Company			
	2017	2016	2017	2016
	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 from non-Australian dollar to Australian dollar (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	
	2017 AUD'000	2016 AUD'000
Non-distributable		
Balance as at the beginning and end of the financial year	**46,535**	46,535

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

29. Accumulated losses

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Suffered by:				
The Company	**(24,074)**	(22,951)	**(24,074)**	(22,951)
Subsidiaries	**(26,103)**	(25,628)	**-**	-
	(50,177)	(48,579)	**(24,074)**	(22,951)

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. Disposal of a subsidiary

On 18 August 2015, Lasseters Corporation Limited ("LCL") entered into a Bid Implementation Agreement with Kings Knight Capital Limited ("Kings Knight"), a BVI Business Company incorporated in the Territory of the British Virgin Islands, pursuant to which Kings Knight offered to acquire all of the issued shares of LCL by way of an off-market takeover bid (the "Offer").

On 21 September 2015, Lasseters Interactive Gaming ("LIG") accepted the offer for 60.52% equity interest in LCL for cash consideration of AUD495,004. The takeover bid was completed on 30 September 2015, thereby decreasing the effective equity interest of the Group in LCL to 12.84% and LCL ceased to be a subsidiary of the Company effective from that date.

Subsequently on 27 January 2016, the Company and LIG had collectively disposed of their remaining 12.84% equity interest in LCL in an off-market transaction for cash consideration of AUD130,000.

Details of the disposal were as follows:

	Group 2016 AUD'000
Liabilities	
Due to related corporations	9,344
Debts waived by related corporations	(9,344)
Net identifiable assets and liabilities disposed	-
Net proceeds from disposal	625
	625
Costs directly attributable to disposal	(22)
Gain on disposal of a subsidiary (Note 8)	603
Net cash inflow arising on disposal:	
Cash consideration received	625
Costs directly attributable to disposal	(22)
	603

31. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions during the financial year between the Group entities and Company and related parties at rates and terms agreed between the parties:

	Group	
	2017 AUD'000	2016 AUD'000
With related parties		
Rental expenses	**92**	176
With Directors of the Company		
Directors' fees	**222**	226

31. Significant related party transactions (Continued)

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:

	2017 AUD'000	2016 AUD'000
Group		
Directors' fees	**222**	226
Short-term employee benefits	**2,080**	2,027
Post-employment benefits	**101**	96
	2,403	2,349
Company		
Directors' fees	**114**	118
Short-term employee benefits	**910**	810
Post-employment benefits	**9**	4
	1,033	932

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

	2017 AUD'000	2016 AUD'000
Group		
Directors of the Company		
Directors' fee	**222**	226
Short-term employee benefits	**397**	379
	619	605
Company		
Directors of the Company		
Directors' fee	**114**	118
Short-term employee benefits	**397**	379
Post-employment benefits	**9**	4
	520	501

32. Commitments

Operating lease commitments

As at the end of the financial year, there were non-cancellable operating lease commitments for rental payable for office premises, villas and spas in subsequent accounting periods as follows:

	Group	
	2017 **AUD'000**	**2016** **AUD'000**
Not later than one year	**1,513**	1,500
Later than one year and not later than five years	**1,301**	1,907
Later than five years	**386**	656
	3,200	4,063

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.

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

Capital commitments

As at the end of the financial year, the Group had the following capital commitments:

	Group	
	2017 **AUD'000**	**2016** **AUD'000**
Purchase of property, plant and equipment contracted but not provided for	**5,031**	507

33. Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers (Note 2.22).

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.

33. 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			
2017	**Casino AUD'000**	**Spa & Wellness AUD'000**	**Property Development AUD'000**	**Unallocated AUD'000**	**Eliminations AUD'000**	**Total AUD'000**
Revenue						
Revenue from external customers	44,516	8,198	3,380	3	-	56,097
Inter-segment revenues	-	-	-	1,121	(1,121)	-
Total revenue	44,516	8,198	3,380	1,124	(1,121)	56,097
Results						
Segment results	4,406	(542)	298	(1,361)	587	3,388
Finance costs	(3,279)	(1,123)	(56)	(12)	65	(4,405)
Profit/(Loss) before income tax	1,127	(1,665)	242	(1,373)	652	(1,017)
Share of losses of joint venture						(7)
Income tax						(557)
Loss for the financial year						(1,581)
Non-controlling interests						(17)
Loss attributable to owners of the parent						(1,598)
Significant non-cash items						
Depreciation expenses	6,484	289	-	72	-	6,845
Impairment in value of property, plant and equipment	-	134	-	-	-	134
Other items of income and expense						
Interest income	-	-	1	2	-	3
Capital expenditures						
Property, plant and equipment	2,332	254	-	275	-	2,861
Segment assets	138,584	6,583	1,759	25,154	(24,040)	148,040
Total assets						148,040
Segment liabilities	62,615	40,973	1,080	3,601	(26,144)	82,125
Current income tax payable						389
Deferred tax liabilities						15,677
Total liabilities						98,191

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

33. Segment reporting (Continued)

2016	Australia Casino AUD'000	Australia Spa & Wellness AUD'000	Malaysia Property Development AUD'000	Unallocated AUD'000	Eliminations AUD'000	Total AUD'000
Revenue						
Revenue from external customers	**44,218**	**8,717**	**12,286**	**68**	**-**	**65,289**
Inter-segment revenues	**-**	**-**	**-**	**1,302**	**(1,302)**	**-**
Total revenue from continuing operations	**44,218**	**8,717**	**12,286**	**1,370**	**(1,302)**	**65,289**
Total revenue from discontinued operations						**9**
Total revenue						**65,298**
Results						
Segment results from continuing operations	**4,511**	**(376)**	**766**	**(110)**	**(29)**	**4,762**
Finance costs	**(3,736)**	**(1,270)**	**(141)**	**(7)**	**102**	**(5,052)**
Profit/(Loss) before income tax from continuing operations	**775**	**(1,646)**	**625**	**(117)**	**73**	**(290)**
Income tax						**(371)**
Loss for the financial year from continuing operations						**(661)**
Profit for the financial year from discontinued operations						**304**
Non-controlling interests						**(124)**
Loss attributable to owners of the parent						**(481)**
Significant non-cash items						
Depreciation expenses	6,648	304	-	23	-	6,975
Property, plant and equipment written off	-	47	-	-	-	47
Other items of income and expense						
Interest income	4	3	6	10	-	23
Capital expenditures						
Property, plant and equipment	3,742	227	-	192	-	4,161
Segment assets	143,206	6,633	5,050	28,695	(26,516)	157,068
Current income tax recoverable						12
Total assets						157,080
Segment liabilities	68,008	39,358	4,420	4,134	(26,681)	89,239
Current income tax payable						215
Deferred tax liabilities						15,859
Total liabilities						105,313

33. 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
2017								
Revenue from external customers	**22,057**	**7,142**	**9,961**	**7,723**	**2,697**	**3,345**	**3,172**	**56,097**
2016								
Revenue from external customers	22,155	6,962	10,336	7,978	2,407	12,286	3,174	65,298

Geographical information

	Australia AUD'000	Malaysia AUD'000	Consolidated AUD'000
2017			
Revenue from external customers	**52,752**	**3,345**	**56,097**
2016			
Revenue from external customers	53,012	12,286	65,298

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
2017			
Non-current assets	**142,082**	**370**	**142,452**
2016			
Non-current assets	146,396	184	146,580

Non-current assets consist of property, plant and equipment, intangible assets and membership rights.

34. 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.

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

(a) Financial instruments

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

	Group		Company	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
Financial assets				
Trade and other receivables (excluding prepayments and goods and services taxes recoverable)	**1,100**	725	**17,987**	18,895
Cash and cash equivalents	**2,029**	4,469	**29**	314
Loan and receivables	**3,129**	5,194	**18,016**	19,209
Financial liabilities				
Trade and other payables (excluding deferred revenue, gaming tax, payroll tax, superannuation and goods and services taxes payable)	**6,968**	9,495	**1,270**	1,284
Bank borrowings - secured	**68,311**	72,885	**-**	-
Finance lease payables	**2,477**	3,011	**-**	-
Financial liabilities carried at amortised cost	**77,756**	85,391	**1,270**	1,284

(b) Credit risk

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. Cash is placed with banks and financial institutions which are regulated.

The Group and the Company have no significant concentration of credit risk except for amounts due from subsidiaries in the Company's statement of financial position.

Trade receivables that are neither past due nor impaired are substantially customers with good collection track record with the Group.

The age analysis of the Group's trade receivables which are past due but not impaired is as follows:

	Group	
	2017 AUD'000	2016 AUD'000
Past due for 1 to 90 days	**57**	61
Past due for 91 to 180 days	**29**	23
	86	84

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

(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:

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000	2017 AUD'000	2016 AUD'000
AUD	**-**	-	**2,135**	1,275	**-**	-	**-**	-
SGD	**92**	277	**496**	293	**90**	305	**272**	286
MYR	**459**	1,031	**487**	3,188	**353**	387	**487**	480

<u>Foreign currency sensitivity analysis</u>

The following table details the sensitivity to a 10% (2016: 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% (2016: 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% (2016: 10%) against the functional currency, the profit or loss of the Group will increase/(decrease) by as below. There is no impact to the equity of the Group.

	Profit or loss	
Group	**2017 AUD'000**	**2016 AUD'000**
Australian dollar	**214**	127
Singapore dollar	**40**	2
Malaysian ringgit	**3**	216

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

(c) Foreign currency risks (Continued)

If the relevant foreign currency strengthens by 10% (2016: 10%) against the functional currency, the profit or loss of the Group will increase/(decrease) by as below. There is no impact to the equity of the Group.

	Profit or loss	
Group	**2017 AUD'000**	**2016 AUD'000**
Australian dollar	**(214)**	(127)
Singapore dollar	**(40)**	(2)
Malaysian ringgit	**(3)**	(216)

If the relevant foreign currency weakens by 10% (2016: 10%) against the functional currency, profit or loss of the Company will increase/(decrease) by as below. There is no impact to the equity of the Company.

	Profit or loss	
Company	**2017 AUD'000**	**2016 AUD'000**
Singapore dollar	**18**	(2)
Malaysian ringgit	**13**	9

If the relevant foreign currency strengthens by 10% (2016: 10%) against the functional currency, profit or loss of the Company will increase/(decrease) by as below. There is no impact to the equity of the Company.

	Profit or loss	
Company	**2017 AUD'000**	**2016 AUD'000**
Singapore dollar	**(18)**	2
Malaysian ringgit	**(13)**	(9)

(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 finance lease obligations 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 300 basis points change in the interest rates from the end of the financial year, with all variables held constant.

34. 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 3% (2016: 3%), the profit or loss of the Group, respectively, will decrease/increase by:

	Group	
	2017 AUD'000	**2016 AUD'000**
Bank overdrafts	**-**	20
Bank borrowings	**741**	751
	741	771

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 cash equivalents 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 30 June 2017 and 2016, the Group has no derivative financial liabilities.

	Effective interest rates	Less than 1 year AUD'000	1 to 2 years AUD'000	2 to 4 years AUD'000	Total AUD'000
Group					
Financial liabilities					
2017					
Trade and other payables (excluding deferred revenue, gaming tax, payroll tax, superannuation and goods and services taxes payable)	-	**6,738**	**230**	**-**	**6,968**
Bank borrowings	5.26% - 8.60%	**7,392**	**69,224**	**-**	**76,616**
Finance lease payables	4.60% - 10.23%	**1,237**	**1,409**	**13**	**2,659**
		15,367	**70,863**	**13**	**86,243**

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2017

34. 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 4 years AUD'000	Total AUD'000
2016					
Trade and other payables (excluding deferred revenue, gaming tax, payroll tax, superannuation and goods and services taxes payable)	-	9,270	225	-	9,495
Bank borrowings	5.30% - 8.35%	8,553	7,773	67,034	83,360
Bank overdrafts	8.10% - 8.35%	725	-	-	725
Finance lease payables	5.01% - 10.23%	1,318	861	1,078	3,257
		19,866	8,859	68,112	96,837
Company					
Financial liabilities					
2017					
Trade and other payables	-	**1,270**	**-**	**-**	**1,270**
Financial guarantee contracts	-	**1,242**	**-**	**-**	**1,242**
		2,512	**-**	**-**	**2,512**
2016					
Trade and other payables	-	1,284	-	-	1,284
Financial guarantee contracts	-	6,955	-	-	6,955
		8,239	-	-	8,239

The effective interest rates and repayment terms of the bank loans, overdrafts and finance leases are disclosed in Notes 22 and 23 to the financial statements.

The Company has issued corporate guarantees to banks for banking facilities granted to a Malaysian subsidiary. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. The maximum amount that the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the bank, is stated above. The earliest period that the guarantee could be called is within one year (2016: one year) from the end of the financial year. The Group 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.

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

(f) Offsetting financial assets and financial liabilities (Continued)

Financial liabilities

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

Company	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
As at 30 June 2017			
Amounts due to subsidiaries	3,140	2,653	487
As at 30 June 2016			
Amounts due to subsidiaries	3,140	2,677	463

(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 finance lease payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

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	
	2017 AUD'000	2016 AUD'000
Net debt	**68,759**	71,427
Total equity	**49,849**	51,767
Total capital	**118,608**	123,194
Gearing ratio	**58%**	58%

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

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2017 and 30 June 2016. 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.

35. 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 and finance lease payables are disclosed in Notes 22 and 23 to the financial statements.

STATISTICS OF SHAREHOLDINGS

AS AT 6 SEPTEMBER 2017

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 6 September 2017.

VOTING RIGHTS

Shareholder's voting rights are set out in Article 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 6 September 2017, approximately 27% 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	0.25	50	0.00
100 – 1,000	33	8.40	29,400	0.01
1,001 – 10,000	146	37.15	944,000	0.19
10,001 – 1,000,000	190	48.35	16,577,050	3.43
1,000,001 and above	23	5.85	465,620,042	96.37
TOTAL	393	100.00	483,170,542	100.00

STATISTICS OF SHAREHOLDINGS

AS AT 6 SEPTEMBER 2017

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.	KUAN PENG CHING @ KUAN PENG SOON	39,042,478	8.08
5.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	38,580,200	7.98
6.	CHAN KAIXUAN	24,000,000	4.97
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.	LIM & TAN SECURITIES PTE LTD	6,292,000	1.30
13.	DBS NOMINEES (PRIVATE) LIMITED	3,882,000	0.80
14.	LAI CHOY KUEN	3,320,000	0.69
15.	LEE WAN TANG	3,000,000	0.62
16.	UOB KAY HIAN PRIVATE LIMITED	2,746,900	0.57
17.	ANG HAO YAO (HONG HAOYAO)	2,717,000	0.56
18.	LOH KAH WAI	2,100,000	0.43
19.	WIRTZ JOCHEN	1,807,100	0.37
20.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,723,800	0.36
		460,952,042	95.39

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
NAME OF SUBSTANTIAL 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	-	-
Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon	39,042,478	8.08	-	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of Lasseters International Holdings Limited (the "Company") will will be held at Maharajah Suite, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 27 October 2017 at 10.00 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 2017. **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) Tan San Chuan
   (retiring pursuant to Article 106); and **Resolution 2**

   (ii) Dato' Jaya J B Tan
   (retiring pursuant to Articles 102 and 106). **Resolution 3**

3. To approve the payment of Directors' fees of SGD120,000 for the financial year ended 30 June 2017 (FY2016: SGD120,000). **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 and Special Resolution, with or without modifications:-

6. **Ordinary Resolution – General Mandate To Authorise 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,

   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, (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, (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 which are outstanding or subsisting at the time of passing this Resolution; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

(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;

(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);

"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.

NOTICE OF ANNUAL GENERAL MEETING

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 after the relevant five-day period;

"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)]

8. **Special Resolution – The Proposed Adoption of New Constitution** **Resolution 8**

"THAT the regulations contained in the new Constitution submitted to this Meeting and, for purpose of identification, as set out in the Appendix to the Annual Report to Shareholders dated 5 October 2017 (the "**Appendix**"), be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution." [See Explanatory Note (c)]

BY ORDER OF THE BOARD

S SURENTHIRARAJ
KOK MOR KEAT
Company Secretaries

Singapore
5 October 2017

Explanatory Notes on Special Business to be transacted

(a) **Ordinary Resolution 6**, if passed, is to empower the Directors of the Company 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, 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.

(b) **Ordinary Resolution 7**, if passed, is to empower the Directors from the date of the above Meeting until the next Annual 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) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution is set out in the Company's letter to shareholders dated 5 October 2017 accompanying the Annual Report 2017.

(c) **Special Resolution 8**, if passed, is to adopt a new Constitution in substitution for, and replacement of, the Company's existing Constitution following the wide-ranging changes to the Companies Act, Cap. 50 of Singapore introduced pursuant to the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Appendix for more details.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:-

1. A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy must be deposited at the Share Registrar's Office at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than forty-eight (48) hours before the time for holding the Annual General Meeting.

3. Any member who is a Relevant Intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   A "Relevant Intermediary" is:-
   (a) a banking corporation licensed under the Banking Act Cap. 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;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

PERSONAL DATA PRIVACY:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) 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 (iii) 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.

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LASSETERS INTERNATIONAL HOLDINGS LIMITED
Company Registration No. 200402223M
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 of Singapore may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting (please see Note 3 for the definition of "relevant intermediary").
2. 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 is purported to be used by them.
3. Please read the notes to the Proxy Form.

I/We, ____

of ____

being a member/members of **LASSETERS INTERNATIONAL HOLDINGS LIMITED** (the "Company"), hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held on Friday, 27 October 2017 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the proxy/proxies will vote or abstain from voting at his/their discretion. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder for me/us and on my/our behalf at the AGM and at any adjournment thereof.

No.	Resolutions Relating To:	No. of Votes For	No. of Votes Against
1	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 30 June 2017.		
2	Re-election of Mr Tan San Chuan as Director.		
3	Re-election of Dato' Jaya J B Tan as Director.		
4	Approval of payment of Directors' fees.		
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.		
8	Proposed Adoption of New Constitution.		

Note:-

1. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please insert [x] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.
2. Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM dated 5 October 2017 for the full purpose and intent of the resolutions to be passed.

Total Number of Shares held	
CDP Register	
Register of Members	

Dated this ______ day of ______________ 2017.

____

Signature(s) of Member(s) or,
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary (as defined below)) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead at the Annual General Meeting. but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Such proxy need not be a member of the Company.

3. Any member who is a Relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting.

   A "Relevant Intermediary" is:

   (a) a banking corporation licensed under the Banking Act, Cap. 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;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be deposited at the Share Registrar's office at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than forty-eight (48) hours before the time appointed for the Annual General Meeting. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

7. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) 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 (iii) 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.

LASSETERS INTERNATIONAL HOLDINGS LIMITED (200402223M)

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