



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

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2018

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

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

(AUD'000)	Group		Increase/ (Decrease) %
	1/7/2018 to 31/12/2018	1/7/2017 to 31/12/2017	
Revenue	28,465	29,571	(3.7)
Consumables	(2,548)	(2,632)	(3.2)
Construction costs	-	(1,115)	(100.0)
Employee benefits expense	(12,277)	(11,792)	4.1
Depreciation expenses	(3,741)	(3,572)	4.7
Villa lease rental	(780)	(759)	2.8
Advertising and promotional expenses	(593)	(722)	(17.9)
Gaming tax	(1,649)	(1,407)	17.2
Other operating expenses	(5,304)	(5,319)	(0.3)
Total operating expenses	(26,892)	(27,318)	(1.6)
Profit from operations	1,573	2,253	(30.2)
Finance costs	(1,979)	(2,002)	(1.1)
Share of losses of joint venture	(27)	(8)	>100.0
Profit before income tax from continuing operations	(433)	243	(>100.0)
Income tax	(512)	(561)	(8.7)
LOSS FOR THE FINANCIAL PERIOD	(945)	(318)	>100.0
Other comprehensive income:			
Exchange differences on translating foreign operations			
Owners of the parent	26	119	(78.2)
Non-controlling interests	3	7	(57.1)
Other comprehensive income for the financial period, net of tax	29	126	(77.0)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	(916)	(192)	>100.0
Loss for the financial period attributable to:			
Owners of the parent	(933)	(367)	>100.0
Non-controlling interests	(12)	49	(>100.0)
	(945)	(318)	>100.0
Total comprehensive income for the financial period attributable to:			
Owners of the parent	(907)	(248)	>100.0
Non-controlling interests	(9)	56	(>100.0)
	(916)	(192)	>100.0

Note:

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

(AUD'000)	Continuing Operations		Discontinued Operations		Group		Increase/ (Decrease) %
	1/7/2018	1/7/2017	1/7/2018	1/7/2017	1/7/2018	1/7/2017	
	to 31/12/2018	to 31/12/2017	to 31/12/2018	to 31/12/2017	to 31/12/2018	to 31/12/2017	
Other income including							
interest income	(414)	(641)	-	-	(414)	(641)	(35.4)
Interest expense	1,979	2,002	-	-	1,979	2,002	(1.1)
Depreciation expenses	3,741	3,572	-	-	3,741	3,572	4.7
Foreign exchange loss	29	126	-	-	29	126	(77.0)
Operating leases, exclude villa lease rental	214	162	-	-	214	162	32.1

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

(AUD'000)	Group		Company	
	31/12/2018	30/6/2018	31/12/2018	30/6/2018
Non-current assets				
Property, plant and equipment	137,848	141,013	-	-
Intangible assets	1,604	1,604	-	-
Investment in subsidiaries	-	-	14,555	14,555
Investment in joint venture	1,217	-	-	-
Membership right	38	38	38	38
	<u>140,707</u>	<u>142,655</u>	<u>14,593</u>	<u>14,593</u>
Current assets				
Inventories	888	904	-	-
Trade and other receivables	1,317	1,754	16,972	17,062
Cash and cash equivalents	2,113	1,867	8	11
	<u>4,318</u>	<u>4,525</u>	<u>16,980</u>	<u>17,073</u>
Less:				
Current liabilities				
Trade and other payables	11,736	11,157	1,886	1,529
Provision for employee entitlements	1,131	1,142	-	-
Current income tax payables	713	616	-	-
Bank borrowings – secured	6,886	7,127	-	-
Finance lease payables	842	1,026	-	-
	<u>21,308</u>	<u>21,068</u>	<u>1,886</u>	<u>1,529</u>
Net current (liabilities)/assets	(16,990)	(16,543)	15,094	15,544
Less:				
Non-current liabilities				
Trade and other payables	483	606	-	-
Provision for employee entitlements	310	325	-	-
Bank borrowings – secured	60,686	61,486	-	-
Finance lease payables	1,047	1,173	-	-
Deferred tax liabilities	14,774	15,184	2	2
	<u>77,300</u>	<u>78,774</u>	<u>2</u>	<u>2</u>
Net assets	46,417	47,338	29,685	30,135
Equity				
Share capital	57,554	57,554	57,554	57,554
Treasury shares	(426)	(426)	(426)	(426)
Foreign currency translation reserve	(3,467)	(3,493)	(1,717)	(1,717)
Revaluation reserve	46,535	46,535	-	-
Accumulated losses	(53,889)	(52,927)	(25,726)	(25,276)
Equity attributable to the owners of the parent	46,307	47,243	29,685	30,135
Non-controlling interests	110	95	-	-
Total equity	46,417	47,338	29,685	30,135

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

(AUD'000)	Group As at 31/12/2018		Group As at 30/6/2018	
	Secured	Unsecured	Secured	Unsecured
Finance lease payables				
Repayable within one year	842	-	1,026	-
Repayable after one year	1,047	-	1,173	-
Bank borrowings – secured				
Repayable within one year	6,886	-	7,127	-
Repayable after one year	60,686	-	61,486	-

Details of any collateral

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

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

(AUD'000)	Group	
	1/7/2018 to 31/12/2018	1/7/2017 to 31/12/2017
Cash flows from operating activities		
(Loss)/Profit before income tax	(433)	243
Adjustments for:		
Depreciation expenses	3,741	3,572
Share of losses of joint venture	27	8
Interest expense	1,979	2,002
Interest income	-	(1)
Currency translation adjustment	26	158
Operating cash flows before working capital changes	5,340	5,982
Working capital changes:		
Inventories	16	1,022
Trade and other receivables	437	(157)
Trade and other payables	430	100
Cash generated from operations	6,223	6,947
Interest received	-	1
Interest paid	(1,979)	(2,002)
Income tax paid	(825)	(271)
Net cash from operating activities	3,419	4,675
Cash flows from investing activities		
Subscription of shares in joint venture	(166)	-
Subscription of redeemable non-convertible non-cumulative preference shares in joint venture	(1,075)	-
Purchase of property, plant and equipment	(281)	(1,208)
Foreign currency translation adjustment	(6)	(13)
Net cash used in investing activities	(1,528)	(1,221)
Cash flows from financing activities		
Repayments of bank borrowings	(1,800)	(2,700)
Repayments of finance lease obligations	(606)	(618)
Shares cancellation by a subsidiary	(3)	-
Foreign currency translation adjustment	6	12
Net cash used in financing activities	(2,403)	(3,306)
Net (decrease)/increase in cash and cash equivalents	(512)	148
Cash and cash equivalents at beginning of financial period	1,340	2,029
Currency translation adjustment on cash and cash equivalents	(1)	(33)
Cash and cash equivalents at end of financial period *	827	2,144
* Analysis of cash and cash equivalents:		
Cash and bank balances	2,113	2,144
Bank overdraft	(1,286)	-
	827	2,144

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

(AUD'000)	Group							Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Accumulated losses	Subtotal	Non-controlling interests	
Balance at 1 July 2017	57,554	(426)	(3,750)	46,535	(50,177)	49,736	113	49,849
Total comprehensive income for the financial year	-	-	257	-	(2,750)	(2,493)	(18)	(2,511)
Balance at 30 June 2018	57,554	(426)	(3,493)	46,535	(52,927)	47,243	95	47,338
Balance at 1 July 2018	57,554	(426)	(3,493)	46,535	(52,927)	47,243	95	47,338
Shares cancellation by a subsidiary	-	-	-	-	(29)	(29)	-	(29)
Total comprehensive income for the financial year	-	-	26	-	(933)	(907)	15	(892)
Balance at 31 December 2018	57,554	(426)	(3,467)	46,535	(53,889)	46,307	110	46,417

(AUD'000)	Company					Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated losses		
Balance at 1 July 2017	57,554	(426)	(1,717)	(24,074)		31,337
Total comprehensive income for the financial year	-	-	-	(1,202)		(1,202)
Balance at 30 June 2018	57,554	(426)	(1,717)	(25,276)		30,135
Balance at 1 July 2018	57,554	(426)	(1,717)	(25,276)		30,135
Total comprehensive income for the financial year	-	-	-	(450)		(450)
Balance at 31 December 2018	57,554	(426)	(1,717)	(25,726)		29,685

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital since the year ended 30 June 2018 and the Company has no outstanding convertibles as at 31 December 2018 (as at 30 June 2018: Nil). In addition, the number of treasury shares held by the Company as at 31 December 2018 is 3,548,000 (as at 30 June 2018: 3,548,000), representing 0.73% of the issued and paid up share capital of the Company as at 31 December 2018 (as at 30 June 2018: 0.73%). There were no subsidiary holdings held against the total number of shares outstanding as at 31 December 2018 (as at 30 June 2018: Nil).

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

As at 31 December 2018, the total number of issued shares excluding treasury shares of the Company was 483,170,542 shares (30 June 2018: 483,170,542 shares excluding treasury shares).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2018.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2018.

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

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

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

Not applicable.

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

The Group has adopted mostly the same accounting policies and methods of computation in these financial statements as those used in preparing the most recently audited financial statements for the financial year ended 30 June 2018.

In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which became effective beginning 1 July 2018, if applicable.

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

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

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

	Group	
	1/7/2018 to 31/12/2018	1/7/2017 to 31/12/2017
Loss attributable to shareholders for the financial year (AUD'000)	(933)	(367)
Weighted Average Number of ordinary shares	483,170,542	483,170,542
Earnings per ordinary shares (AUD cents)		
- Basic and fully diluted basis	(0.19)	(0.08)

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

	Group		Company	
	31/12/2018	30/6/2018	31/12/2018	30/6/2018
Net asset value per ordinary shares based on issued capital (excluding treasury shares) at the end of the financial year (AUD cents)	9.61	9.80	6.14	6.24

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

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

Profit and Loss Statement

For the six month ended 31 December 2018 (“HY2019”), the Group reported total revenue of AUD28.47 million as compared to AUD29.57 million for the corresponding period last year (“HY2018”). The decrease in the Group’s total revenue in HY2019 was mainly due to the sale of one remaining unit from the Group’s property arm in HY2018. However, the Group’s land-based hotel and casino operations in Alice Springs, Northern Territory (“NT”) continues to remain profitable and contributed 85.74% or AUD24.41 million (HY2018: 81.67% or AUD24.15 million) of the total revenue, posting a revenue growth of 1.08% or AUD0.26 million during the period.

The Group’s spa and wellness segment reported a marginal increase of AUD0.06 million in revenue to AUD4.04 million in HY2019 from AUD3.98 million in HY2018.

Total operating expenses of the Group decreased to AUD26.90 million in HY2019 from AUD27.32 million in HY2018. The decline was mainly due to the zero recognition of construction costs in this reporting period. The Group registered Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of AUD5.31 million compared to AUD5.83 million in HY2018. The decline was due to the absence of contribution from the property arm, coupled with an increase in gaming tax rate. Depreciation increased marginally by AUD0.17 million to AUD3.74 in HY2019 (HY2018: AUD3.57 million).

Finance costs decreased marginally by 1.10% to AUD1.98 million in HY2019 from AUD2.00 million in HY2018. This was attributable to the management’s active effort in managing and mitigating the interest rate fluctuation. Losses of joint venture comprise of mainly office overheads and statutory expenses, and the Group’s share of losses is marked against its equity investment.

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

As a result, the Group registered a net loss of AUD0.95 million compared to AUD0.32 million for HY2018.

Balance Sheet Review

The Group’s total assets declined by AUD2.16 million to AUD145.03 million as at 31 December 2018 from AUD147.18 million as at 30 June 2018 due to asset depreciation partially offset by the subscription of Redeemable Non-Convertible Non-Cumulative Preference Shares (“RNCNCPS”) in a joint venture. During the period under review, the Group’s net assets position declined to AUD46.42 million from AUD47.34 million as a result of losses incurred in the period.

Net current liabilities increased to AUD17.00 million as at 31 December 2018 from AUD16.54 million as at 30 June 2018.

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

Cash Flow Review

The Group continued to generate a net positive cash inflow from operating activities amounting to AUD3.42 million in HY2019 compared to a net cash inflow from operating activities of AUD4.68 million in HY2018. The decrease was mainly due to tax paid on a higher effective tax rate and movement of inventories in HY2018 from the disposal of the last property development unit.

Net cash flow used in financing activities decreased to AUD2.40 million (HY2018: AUD3.31 million). Cash and cash equivalents as at 31 December 2018 stands at AUD0.83 million, a decrease of AUD0.51 million from AUD1.34 million as at 30 June 2018.

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

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

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

Australia's business landscape is expected to remain challenging in 2019. According to Trading Economics, the GDP growth came in at 2.8% for year ended September 2018, which was below expectations of 3.3%. As a result, the Group shall continue operating cautiously while channelling resources to develop prudent strategies to grow its core businesses.

The Group's land-based hotel and casino remains an iconic integrated resort in Central Australia. Following its successful conversion and rebranding as Crowne Plaza Alice Springs Lasseters, the Group expects to improve the property's occupancy rate and revenue per available room. On the gaming front, efforts are focused on the premium gaming market by introducing contemporary gaming products and improving the loyalty program tracking system.

Wellness activities have been identified as one of five key activities that will spearhead the tourism drive by Tourism Australia. The Group's spa and wellness business continues to gear towards this positive momentum by striving to provide exceptional guests experience. The Group's partnership with Qantas Frequent Flyers programme since June 2018 has started to yield encouraging results, enabling it to increase brand awareness and leverage on Qantas' customer network. The Group will continue to tap on more strategic growth initiatives and marketing strategies to build brand awareness in the spa and wellness business.

The Group's joint venture to develop, own and operate a 229-key 4-star Mercure hotel, managed by international hotel chain, AccorHotels, is progressing well. The hotel is slated to open its doors in mid-2020. This hospitality development in Malaysia is expected to translate into positive long term revenue and earnings growth for the Group.

In 2019, the Board will continue to closely monitor its business strategies and manage its risks to weather the current economic challenges.

- 11 **Dividend**

(a) Current financial period reported on

Any dividend recommended for the current financial year reported on?

None.

(b) Corresponding period of the immediately preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12 **If no dividend has been declared/recommendedd, a statement to that effect.**

No dividend has been declared.

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

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

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

We, Dato’ Jaya J B Tan (Executive Chairman) and Dato’ Kamal Y P Tan (Director), being two directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the six months ended 31 December 2018 to be false or misleading in any material respect. A statement signed by us is on record.

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

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

16 Other disclosures

Issued and Paid-Up Share Capital of 55% owned subsidiary, Super Ace Resources Sdn Bhd (“SARSB”)

With reference to the announcement made by the Company on 5 September 2018, it was previously announced that the existing shareholders of SARSB have agreed on the issuance of up to 25 million RNCNCPS of RM1 each, to be issued by SARSB to the existing shareholders of SARSB on a staggered basis, in the same proportion as the existing equity interest held by the shareholders.

The Board wishes to announce that pursuant to the issuance of 5.70 million RNCNCPS during the period under review, the issued and paid-up capital of SARSB has been increased from RM1.00 million to RM6.70 million comprising 1.00 million ordinary shares and 5.70 million RNCNCPS of RM1.00 each respectively.

BY ORDER OF THE BOARD

DATO’ JAYA J B TAN
Executive Chairman
14 February 2019

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

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

*The contact person for the Sponsor is Mr Bernard Lui, Telephone number: 6389 3000
Email: Bernard.lui@morganlewis.com*