



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

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2017**

**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) %
	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016	
Revenue	29,571	30,100	(1.8)
Consumables	(2,632)	(2,576)	2.2
Construction costs	(1,115)	(1,805)	(38.2)
Employee benefits expense	(11,792)	(11,846)	(0.5)
Depreciation expenses	(3,572)	(3,619)	(1.3)
Villa lease rental	(759)	(747)	1.6
Advertising and promotional expenses	(722)	(670)	7.8
Gaming tax	(1,407)	(1,304)	7.9
Other operating expenses	(5,319)	(5,240)	1.5
Total operating expenses	(27,318)	(27,807)	(1.8)
<b>Profit from operations</b>	<b>2,253</b>	<b>2,293</b>	(1.7)
Finance costs	(2,002)	(2,222)	(9.9)
Share of losses of joint venture	(8)	(2)	>100.0
<b>Profit before income tax from continuing operations</b>	<b>243</b>	<b>69</b>	>100.0
Income tax	(561)	(431)	30.2
<b>Loss for the financial period from continuing operations</b>	<b>(318)</b>	<b>(362)</b>	(12.2)
<b>Profit for the financial period from discontinued operations</b>	<b>-</b>	<b>85</b>	(100.0)
<b>LOSS FOR THE FINANCIAL PERIOD</b>	<b>(318)</b>	<b>(277)</b>	14.8
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations			
Owners of the parent	119	13	>100.0
Non-controlling interests	7	-	100.0
<b>Other comprehensive income for the financial period, net of tax</b>	<b>126</b>	<b>13</b>	>100.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>(192)</b>	<b>(264)</b>	(27.3)
<b>Loss for the financial period attributable to:</b>			
Owners of the parent	(367)	(357)	2.8
Non-controlling interests	49	80	(38.8)
	<b>(318)</b>	<b>(277)</b>	14.8
<b>Total comprehensive income for the financial period attributable to:</b>			
Owners of the parent	(248)	(344)	(27.9)
Non-controlling interests	56	80	(30.0)
	<b>(192)</b>	<b>(264)</b>	(27.3)

Note:

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

(AUD'000)	Continuing Operations		Discontinued Operations		Group		Increase/ (Decrease) %
	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016	
Other income including interest income	(641)	(509)	-	(1)	(641)	(510)	25.9
Interest expense	2,002	2,222	-	2	2,002	2,224	(10.0)
Depreciation expenses	3,572	3,619	-	-	3,572	3,619	(1.3)
Write back of payables	-	-	-	(68)	-	(68)	(100.0)
Foreign exchange loss	127	141	-	-	127	141	(9.9)
Operating leases, exclude villa lease rental	162	243	-	-	162	243	(33.3)

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

(AUD'000)	1/7/2016 to 31/12/2016
Revenue	1
Other income	18
<b>Profit from operations</b>	<b>19</b>
Write back of payables	68
Finance costs	(2)
<b>Profit before income tax</b>	<b>85</b>
Income tax	-
<b>Profit for the financial period attributable to owners of the Company</b>	<b>85</b>

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	
	31/12/2017	30/6/2017	31/12/2017	30/6/2017
<b>Non-current assets</b>				
Property, plant and equipment	140,107	140,803	-	-
Intangible assets	1,604	1,604	-	-
Investment in subsidiaries	-	-	14,555	14,555
Investment in joint venture	1	7	-	-
Membership right	38	38	38	38
	<u>141,750</u>	<u>142,452</u>	<u>14,593</u>	<u>14,593</u>
<b>Current assets</b>				
Inventories	947	1,969	-	-
Trade and other receivables	1,746	1,590	17,328	17,987
Cash and cash equivalents	2,144	2,029	64	29
	<u>4,837</u>	<u>5,588</u>	<u>17,392</u>	<u>18,016</u>
Less:				
<b>Current liabilities</b>				
Trade and other payables	9,714	9,664	948	1,270
Provision for employee entitlements	1,083	1,066	-	-
Current income tax payables	847	389	-	-
Bank borrowings – secured	3,600	3,600	-	-
Finance lease payables	1,184	1,135	-	-
	<u>16,428</u>	<u>15,854</u>	<u>948</u>	<u>1,270</u>
<b>Net current (liabilities)/assets</b>	<b>(11,591)</b>	<b>(10,266)</b>	<b>16,444</b>	<b>16,746</b>
Less:				
<b>Non-current liabilities</b>				
Trade and other payables	230	230	-	-
Provision for employee entitlements	408	377	-	-
Bank borrowings – secured	63,017	64,711	-	-
Finance lease payables	1,336	1,342	-	-
Deferred tax liabilities	15,511	15,677	2	2
	<u>80,502</u>	<u>82,337</u>	<u>2</u>	<u>2</u>
<b>Net assets</b>	<b>49,657</b>	<b>49,849</b>	<b>31,035</b>	<b>31,337</b>
<b>Equity</b>				
Share capital	57,554	57,554	57,554	57,554
Treasury shares	(426)	(426)	(426)	(426)
Foreign currency translation reserve	(3,631)	(3,750)	(1,717)	(1,717)
Revaluation reserve	46,535	46,535	-	-
Accumulated losses	(50,544)	(50,177)	(24,376)	(24,074)
<b>Equity attributable to the owners of the parent</b>	<b>49,488</b>	<b>49,736</b>	<b>31,035</b>	<b>31,337</b>
<b>Non-controlling interests</b>	<b>169</b>	<b>113</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>49,657</b>	<b>49,849</b>	<b>31,035</b>	<b>31,337</b>

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

(AUD'000)	Group As at 31/12/2017		Group As at 30/6/2017	
	Secured	Unsecured	Secured	Unsecured
<b>Finance lease payables</b>				
Repayable within one year	1,184	-	1,135	-
Repayable after one year	1,336	-	1,342	-
<b>Bank borrowings – secured</b>				
Repayable within one year	3,600	-	3,600	-
Repayable after one year	63,017	-	64,711	-

**Details of any collateral**

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

**II 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	
	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016
<b>Cash flows from operating activities</b>		
Profit before income tax:		
- from continuing operations	243	69
- from discontinued operations	-	85
	243	154
Adjustments for:		
Depreciation expenses	3,572	3,619
Gain on disposal of property, plant and equipment	-	(23)
Write back of payables	-	(68)
Share of losses of joint venture	8	-
Interest expense	2,002	2,224
Interest income	(1)	(4)
Currency translation adjustment	158	-
Operating cash flows before working capital changes	5,982	5,902
Working capital changes:		
Inventories	1,022	2,019
Trade and other receivables	(157)	(189)
Trade and other payables	100	(2,328)
Cash generated from operations	6,947	5,404
Interest received	1	4
Interest paid	(2,002)	(2,224)
Income tax paid	(271)	(154)
<b>Net cash from operating activities</b>	<b>4,675</b>	<b>3,030</b>
<b>Cash flows from investing activities</b>		
Subscription of shares in joint venture	-	(15)
Proceeds from disposal of property, plant and equipment	-	23
Purchase of property, plant and equipment	(1,208)	(1,094)
Foreign currency translation adjustment	(13)	13
<b>Net cash used in investing activities</b>	<b>(1,221)</b>	<b>(1,073)</b>
<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	(2,700)	(2,357)
Repayments of finance lease obligations	(618)	(676)
Foreign currency translation adjustment	12	-
<b>Net cash used in financing activities</b>	<b>(3,306)</b>	<b>(3,033)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>148</b>	<b>(1,076)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>2,029</b>	<b>3,799</b>
<b>Currency translation adjustment on cash and cash equivalents</b>	<b>(33)</b>	<b>12</b>
<b>Cash and cash equivalents at end of financial period *</b>	<b>2,144</b>	<b>2,735</b>
<b>* Analysis of cash and cash equivalents:</b>		
Cash and bank balances - continuing operations	2,144	3,199
Bank overdraft - continuing operations	-	(464)
	<b>2,144</b>	<b>2,735</b>

**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 2016	57,554	(426)	(3,428)	46,535	(48,579)	51,656	111	51,767
Total comprehensive income for the financial year	-	-	(322)	-	(1,598)	(1,920)	2	(1,918)
Balance at 30 June 2017	57,554	(426)	(3,750)	46,535	(50,177)	49,736	113	49,849
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	-	-	119	-	(367)	(248)	56	(192)
Balance at 31 December 2017	57,554	(426)	(3,631)	46,535	(50,544)	49,488	169	49,657

(AUD'000)	Company					Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated losses		
Balance at 1 July 2016	57,554	(426)	(1,717)	(22,951)		32,460
Total comprehensive income for the financial year	-	-	-	(1,123)		(1,123)
Balance at 30 June 2017	57,554	(426)	(1,717)	(24,074)		31,337
Balance at 1 July 2017	57,554	(426)	(1,717)	(24,074)		31,337
Total comprehensive income for the financial year	-	-	-	(302)		(302)
Balance at 31 December 2017	57,554	(426)	(1,717)	(24,376)		31,035

**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 2017 and the Company has no outstanding convertibles as at 31 December 2017 (as at 30 June 2017: Nil). In addition, the number of treasury shares held by the Company as at 31 December 2017 is 3,548,000 (as at 30 June 2017: 3,548,000). There were no subsidiary holdings held against the total number of shares outstanding as at 31 December 2017 (as at 30 June 2017: 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 2017, the total number of issued shares excluding treasury shares of the Company was 483,170,542 shares (30 June 2017: 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 2017.

**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 2017.

**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 2017.

In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards ("FRS"), which became effective beginning 1 July 2017, 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	
	1/7/2017 to 31/12/2017	1/7/2016 to 31/12/2016
Loss attributable to shareholders for the financial year (AUD'000)	(367)	(357)
Weighted Average Number of ordinary shares	483,170,542	483,170,542
Earnings per ordinary shares (AUD cents)		
- Basic and fully diluted basis	(0.08)	(0.07)

**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	
	31/12/2017	30/6/2017	31/12/2017	30/6/2017
Net asset value per ordinary shares based on issued capital (excluding treasury shares) at the end of the financial year (AUD cents)	10.28	10.32	6.42	6.49

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), seasonal 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 2017 (“**HY2018**”), the Group achieved a profit before tax of AUD0.24 million against profit before tax of AUD0.07 million in the corresponding period last year (“**HY2017**”). The result achieved was encouraging despite a backdrop of lower Group revenue due to lower contributions from the Group’s property arm as most of the property development units were sold in previous financial years. This again portrayed the Group’s continuous efforts in improving business operational efficiencies.

The Group registered a net loss of AUD0.32 million against a net loss of AUD0.28 million in HY2017 as a result of higher tax provision in HY2018. Earnings before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) before exceptional items remain fairly consistent at AUD5.83 million as compared to AUD5.91 million in HY2017. On a like-for-like basis after adjusting for the Group’s property arm, the Group achieved EBITDA growth of 2.73% or AUD0.15 million against last year.

For the period under review, the Group reported a total revenue of AUD29.57 million as compared to a total revenue of AUD30.10 million for HY2017. The Group’s land-based hotel and casino operations in Alice Springs, Northern Territory (“**NT**”) continues to remain profitable and contributed 81.67% or AUD24.15 million (HY2017: 78.92% or AUD23.76 million) of the total revenue, with a revenue growth of 1.64% or AUD0.39 million during the period.

The Group’s spa and wellness segment reported an increase of AUD0.07 million in revenue from AUD3.91 million in HY2017 to AUD3.98 million in HY2018.

Total operating expenses of the Group decreased to AUD27.32 million in HY2018 from AUD27.81 million in HY2017. The decline was mainly due to the lower recognition of the Group’s property arm construction costs in this reporting period. Depreciation decreased marginally by AUD0.05 million to AUD3.57 in HY2018 (HY2017: AUD3.62 million).

Finance costs declined by 9.9% to AUD2.00 million in HY2018 from AUD2.22 million in HY2017. This was attributable to lower interest rates offered by financial institution as a result of improved performance of the casino and wellness segment, coupled with the management’s continuous 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.

### **Balance Sheet Review**

HY2018 saw the Group’s total assets decline by AUD1.45 million to AUD146.59 million from AUD148.04 million as at 30 June 2017 whilst the net assets position of the Group declined to AUD49.66 million from AUD49.85 million. These were mainly due to the sale of factory lot from the Group’s property arm during the financial period.

Net current liabilities increased to AUD11.59 million as at 31 December 2017 from AUD10.27 million as at 30 June 2017 due to above mentioned reasons.

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 of AUD4.68 million as compared to net cash inflow from operating activities of AUD3.03 million in HY2017.

Net cash flow used in financing activities increased to AUD3.30 million (HY2017: AUD3.03 million). Cash and cash equivalents as at 31 December 2017 stands at AUD2.14 million, an increase of AUD0.15 million from AUD2.03 million as at 30 June 2017.



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

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

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

The Australian economy is expected to remain volatile in 2018, a slightly lower GDP growth of 2.50% is forecasted in 2018, compared to 2.75% growth as reported in Federal Budget 2017. In view of this, the Group shall continue to operate cautiously and dedicate its resources to develop captivating strategies in fortifying its portfolio and lay a prudent foundation to grow its core businesses.

Following the completion of the expansion and transformation programme of its land-based hotel and casino into an iconic integrated resort in Central Australia, the Group continues to strengthen its hotel offerings with the rebranding of its hotel as Crowne Plaza Alice Springs Lasseters through a franchise arrangement with InterContinental Hotels Group. Room refurbishment work is on-going and scheduled to be completed by the first quarter of 2018. The Group has seen signs of improvements on hotel occupancy rates and average room rates following the rebranding. To keep the upward momentum of the business, efforts and plans are in place including introduction of contemporary gaming products and improved loyalty program tracking system. The Group believes these plans will support its efforts to improve performance in the rest of financial year 2018.

The latest Tourism Investment Report by Tourism Australia and Austrade has identified wellness activities as one of five key activities that drive additional tourism in Australia. The Group's spa and wellness business continues to witness positive momentum and exceptional guests experience. The Group has recently negotiated an extension of the villa lease tenure for another six years on favourable terms, whilst continuing its efforts to build solid revenue returns through investment in a range of growth initiatives and marketing strategies, including introduction of new Golden Door amenities range to build increasing brand awareness. These initiatives are expected to stimulate positive growth moving forward.

The Group's joint venture with Paramount Corporation Berhad to jointly develop, own and operate a 220-key 4-star Mercure hotel located in Glenmarie, Shah Alam, in Malaysia has been progressing well. Hotel layout and designs have been firmed up and construction work has commenced, and scheduled to be completed by end of 2019. The Group's venture into hospitality industry in Malaysia is expected to translate into positive and long term growth on future revenue and earnings stream.

In 2018, 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/recommended, a statement to that effect.**

No dividend has been declared.

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

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

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

We, Dato’ Jaya J B Tan (Executive Chairman) and Dato’ Kamal Y P Tan (Director), being two directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the six months ended 31 December 2017 to be false or misleading in any material respect. A statement signed by us is on record.

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

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

**BY ORDER OF THE BOARD**

**DATO’ JAYA J B TAN**  
**Executive Chairman**  
**9 February 2018**

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

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

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