



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

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

**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/<br>(Decrease)<br>% |
|---|------------------------------|------------------------------|------------------------------|
|   | 1/7/2019<br>to<br>31/12/2019 | 1/7/2018<br>to<br>31/12/2018 |                              |
| Revenue   | 23,647                       | 24,824                       | (4.7)                        |
| Consumables   | (2,277)                      | (2,209)                      | 3.1                          |
| Employee benefits expense   | (10,235)                     | (10,256)                     | (0.2)                        |
| Depreciation expenses   | (3,304)                      | (3,562)                      | (7.2)                        |
| Amortisation of right-of-use assets   | (271)                        | -                            | 100.0                        |
| Lease rental  | -                            | (142)                        | (100.0)                      |
| Advertising and promotional expenses  | (530)                        | (483)                        | 9.7                          |
| Gaming tax  | (1,688)                      | (1,649)                      | 2.4                          |
| Other operating expenses  | (4,575)                      | (4,561)                      | 0.3                          |
| Total operating expenses  | (22,880)                     | (22,862)                     | 0.1                          |
| <b>Profit from operations</b>   | <b>767</b>                   | <b>1,962</b>                 | (60.9)                       |
| Finance costs   | (1,779)                      | (1,703)                      | 4.5                          |
| Share of losses of joint venture  | (28)                         | (27)                         | 3.7                          |
| <b>(Loss)/Profit before income tax from continuing operations</b>           | <b>(1,040)</b>               | <b>232</b>                   | (>100.0)                     |
| Income tax  | (243)                        | (512)                        | (52.5)                       |
| <b>Loss for the financial year from continuing operations</b>               | <b>(1,283)</b>               | <b>(280)</b>                 | >100.0                       |
| <b>Loss for the financial year from discontinued operations</b>             | <b>(307)</b>                 | <b>(665)</b>                 | (53.8)                       |
| <b>LOSS FOR THE FINANCIAL PERIOD</b>  | <b>(1,590)</b>               | <b>(945)</b>                 | 68.3                         |
| <b>Other comprehensive income:</b>  |                              |                              |                              |
| Exchange differences on translating foreign operations                      |                              |                              |                              |
| Owners of the parent  | 23                           | 26                           | (11.5)                       |
| Non-controlling interests   | 2                            | 3                            | (33.3)                       |
| <b>Other comprehensive income for the financial period, net of tax</b>      | <b>25</b>                    | <b>29</b>                    | (13.8)                       |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>                  | <b>(1,565)</b>               | <b>(916)</b>                 | 70.9                         |
| <b>Loss for the financial period attributable to:</b>                       |                              |                              |                              |
| Owners of the parent  | (1,579)                      | (933)                        | 69.2                         |
| Non-controlling interests   | (11)                         | (12)                         | (8.3)                        |
|   | <b>(1,590)</b>               | <b>(945)</b>                 | 68.3                         |
| <b>Total comprehensive income for the financial period attributable to:</b> |                              |                              |                              |
| Owners of the parent  | (1,556)                      | (907)                        | 71.6                         |
| Non-controlling interests   | (9)                          | (9)                          | 0.0                          |
|   | <b>(1,565)</b>               | <b>(916)</b>                 | 70.9                         |

Note:

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

| (AUD'000)   | Continuing Operations |                  | Discontinued Operations |                  | Group            |                  | Increase/<br>(Decrease)<br>% |
|---|-----------------------|------------------|-------------------------|------------------|------------------|------------------|------------------------------|
|   | 1/7/2019              | 1/7/2018         | 1/7/2019                | 1/7/2018         | 1/7/2019         | 1/7/2018         |                              |
|   | to<br>31/12/2019      | to<br>31/12/2018 | to<br>31/12/2019        | to<br>31/12/2018 | to<br>31/12/2019 | to<br>31/12/2018 |                              |
| Other income including interest income            | (401)                 | (414)            | -                       | -                | (401)            | (414)            | (3.1)                        |
| Interest expense                                  | 1,779                 | 1,703            | -                       | 276              | 1,779            | 1,979            | (10.1)                       |
| Depreciation expenses                             | 3,304                 | 3,562            | -                       | 179              | 3,304            | 3,741            | (11.7)                       |
| Amortisation of right-of-use assets               | 271                   | -                | -                       | -                | 271              | -                | 100.0                        |
| Foreign exchange loss                             | 105                   | 29               | -                       | -                | 105              | 29               | >100.0                       |
| Operating leases, exclude lease rental            | 121                   | 214              | -                       | -                | 121              | 214              | (43.5)                       |
| Gain on disposal of property, plant and equipment | -                     | -                | (9)                     | -                | (9)              | -                | 100.0                        |

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

| (AUD'000)  | Group            |                  | Increase/<br>(Decrease)<br>% |
|--|------------------|------------------|------------------------------|
|  | 1/7/2019         | 1/7/2018         |                              |
|  | to<br>31/12/2019 | to<br>31/12/2018 |                              |
| Revenue  | 613              | 3,641            | (83.2)                       |
| Consumables  | (88)             | (339)            | (74.0)                       |
| Employee benefits expense  | (318)            | (2,021)          | (84.3)                       |
| Depreciation expenses  | -                | (179)            | (100.0)                      |
| Villa lease rental   | (101)            | (638)            | (84.2)                       |
| Advertising and promotional expenses                                     | (22)             | (110)            | (80.0)                       |
| Other operating expenses   | (400)            | (743)            | (46.2)                       |
| Total operating expenses   | (929)            | (4,030)          | (76.9)                       |
| <b>Loss from operations</b>  | <b>(316)</b>     | <b>(389)</b>     | <b>(18.8)</b>                |
| Exceptional items:-  |                  |                  |                              |
| - gain on disposal of property, plant and equipment                      | 9                | -                | 100.0                        |
| Finance costs  | -                | (276)            | (100.0)                      |
| <b>Loss before income tax</b>  | <b>(307)</b>     | <b>(665)</b>     | <b>(53.8)</b>                |
| Income tax   | -                | -                | -                            |
| <b>Loss for the financial year attributable to owners of the Company</b> | <b>(307)</b>     | <b>(665)</b>     | <b>(53.8)</b>                |

Note:

With reference to the announcement dated 28 June 2019, Golden Door Health Retreat – Elysia Pty Limited (“TGDE”), a wholly-owned subsidiary of Lasseters International Holdings Limited, had on 28 June 2019 entered into two sale and purchase agreements for the disposal of the freehold land and property, and the business assets of TGDE. The disposal was completed on 29 July 2019.

The gain on the disposal was AUD9.16 thousand after deducting disposal expenses of AUD367.03 thousand comprising redundancy pay and transactional costs.

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       |               |
|--|-----------------|-----------------|---------------|---------------|
|  | 31/12/2019      | 30/6/2019       | 31/12/2019    | 30/6/2019     |
| <b>Non-current assets</b>                              |                 |                 |               |               |
| Property, plant and equipment                          | 132,938         | 137,900         | -             | -             |
| Investment in subsidiaries                             | -               | -               | 14,555        | 14,555        |
| Investment in joint venture                            | 2,215           | 1,476           | -             | -             |
| Membership right                                       | 38              | 38              | 38            | 38            |
| Right-of-use assets                                    | 3,071           | -               | -             | -             |
|  | <u>138,262</u>  | <u>139,414</u>  | <u>14,593</u> | <u>14,593</u> |
| <b>Current assets</b>                                  |                 |                 |               |               |
| Inventories  | 752             | 578             | -             | -             |
| Trade and other receivables                            | 949             | 1,386           | 525           | 2,574         |
| Cash and cash equivalents                              | 1,466           | 1,641           | 10            | 7             |
|  | <u>3,167</u>    | <u>3,605</u>    | <u>535</u>    | <u>2,581</u>  |
| Assets classified as held for sale                     | -               | 4,836           | -             | -             |
|  | <u>3,167</u>    | <u>8,441</u>    | <u>535</u>    | <u>2,581</u>  |
| Less:  |                 |                 |               |               |
| <b>Current liabilities</b>                             |                 |                 |               |               |
| Trade and other payables                               | 8,923           | 12,319          | 1,213         | 2,405         |
| Provision for employee entitlements                    | 1,096           | 1,251           | -             | -             |
| Current income tax payables                            | 494             | 526             | -             | -             |
| Bank borrowings – secured                              | 5,458           | 5,618           | -             | -             |
| Lease liabilities                                      | 1,186           | 814             | -             | -             |
|  | <u>17,157</u>   | <u>20,528</u>   | <u>1,213</u>  | <u>2,405</u>  |
| Liabilities classified as held for sale                | -               | 188             | -             | -             |
|  | <u>17,157</u>   | <u>20,716</u>   | <u>1,213</u>  | <u>2,405</u>  |
| <b>Net current (liabilities)/assets</b>                | <b>(13,990)</b> | <b>(12,275)</b> | <b>(678)</b>  | <b>176</b>    |
| Less:  |                 |                 |               |               |
| <b>Non-current liabilities</b>                         |                 |                 |               |               |
| Trade and other payables                               | 316             | 375             | -             | -             |
| Provision for employee entitlements                    | 121             | 161             | -             | -             |
| Bank borrowings – secured                              | 59,836          | 61,286          | -             | -             |
| Lease liabilities                                      | 1,692           | 1,060           | -             | -             |
| Deferred tax liabilities                               | 16,446          | 16,831          | 2             | 2             |
|  | <u>78,411</u>   | <u>79,713</u>   | <u>2</u>      | <u>2</u>      |
| <b>Net assets</b>                                      | <b>45,861</b>   | <b>47,426</b>   | <b>13,913</b> | <b>14,767</b> |
| <b>Equity</b>  |                 |                 |               |               |
| Share capital  | 57,554          | 57,554          | 57,554        | 57,554        |
| Treasury shares  | (426)           | (426)           | (426)         | (426)         |
| Foreign currency translation reserve                   | (3,417)         | (3,440)         | (1,717)       | (1,717)       |
| Revaluation reserve                                    | 52,031          | 52,031          | -             | -             |
| Accumulated losses                                     | (59,963)        | (58,384)        | (41,498)      | (40,644)      |
|  | <u>45,779</u>   | <u>47,335</u>   | <u>13,913</u> | <u>14,767</u> |
| <b>Equity attributable to the owners of the parent</b> | <b>45,779</b>   | <b>47,335</b>   | <b>13,913</b> | <b>14,767</b> |
| <b>Non-controlling interests</b>                       | <b>82</b>       | <b>91</b>       | <b>-</b>      | <b>-</b>      |
| <b>Total equity</b>                                    | <b>45,861</b>   | <b>47,426</b>   | <b>13,913</b> | <b>14,767</b> |

Note:

The results of TGDE have been presented separately as discontinued operations in the consolidated statement of comprehensive income.

As at 30 June 2019, the freehold land and property and certain liabilities were classified as assets held for sale and liabilities held for sale respectively in the statement of financial position.

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

| (AUD'000)                        | Group<br>As at 31/12/2019 |           | Group<br>As at 30/6/2019 |           |
|----------------------------------|---------------------------|-----------|--------------------------|-----------|
|                                  | Secured                   | Unsecured | Secured                  | Unsecured |
| <b>Lease liabilities</b>         |                           |           |                          |           |
| Repayable within one year        | 836                       | 350       | 814                      | -         |
| Repayable after one year         | 1,006                     | 686       | 1,060                    | -         |
| <b>Bank borrowings – secured</b> |                           |           |                          |           |
| Repayable within one year        | 5,458                     | -         | 5,618                    | -         |
| Repayable after one year         | 59,836                    | -         | 61,286                   | -         |

**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                        |                              |
|--|------------------------------|------------------------------|
|  | 1/7/2019<br>to<br>31/12/2019 | 1/7/2018<br>to<br>31/12/2018 |
| <b>Cash flows from operating activities</b>  |                              |                              |
| (Loss)/Profit before income tax from continuing operations                                   | (1,040)                      | 232                          |
| Loss before income tax from discontinued operations  | (307)                        | (665)                        |
|  | <u>(1,347)</u>               | <u>(433)</u>                 |
| Adjustments for:   |                              |                              |
| Depreciation expenses  | 3,304                        | 3,741                        |
| Amortisation of right-of-use assets  | 271                          | -                            |
| Gain on disposal of property, plant and equipment  | (9)                          | -                            |
| Share of losses of joint venture   | 28                           | 27                           |
| Interest expense   | 1,779                        | 1,979                        |
| Interest income  | (4)                          | -                            |
| Currency translation adjustment  | (15)                         | 26                           |
| Operating cash flows before working capital changes  | <u>4,007</u>                 | <u>5,340</u>                 |
| Working capital changes:   |                              |                              |
| Inventories  | 38                           | 16                           |
| Trade and other receivables  | 436                          | 437                          |
| Trade and other payables   | (4,237)                      | 430                          |
| Cash generated from operations   | <u>244</u>                   | <u>6,223</u>                 |
| Interest received  | 4                            | -                            |
| Interest paid  | (1,775)                      | (1,979)                      |
| Income tax paid  | (663)                        | (825)                        |
| <b>Net cash (used in)/from operating activities</b>  | <b><u>(2,190)</u></b>        | <b><u>3,419</u></b>          |
| <b>Cash flows from investing activities</b>  |                              |                              |
| Subscription of shares in joint venture  | -                            | (166)                        |
| Subscription of redeemable non-convertible non-cumulative preference shares in joint venture | (748)                        | (1,075)                      |
| Proceed from disposal of discontinued operations   | 5,000                        | -                            |
| Purchase of property, plant and equipment  | (229)                        | (281)                        |
| Foreign currency translation adjustment  | 41                           | (6)                          |
| <b>Net cash from/(used in) investing activities</b>  | <b><u>4,064</u></b>          | <b><u>(1,528)</u></b>        |
| <b>Cash flows from financing activities</b>  |                              |                              |
| Proceeds from bank borrowings  | 550                          | -                            |
| Repayments of bank borrowings  | (2,000)                      | (1,800)                      |
| Repayments of lease obligations  | (453)                        | (606)                        |
| Acquisition of non-controlling interest in a subsidiary                                      | -                            | (3)                          |
| Foreign currency translation adjustment  | 3                            | 6                            |
| <b>Net cash used in financing activities</b>   | <b><u>(1,900)</u></b>        | <b><u>(2,403)</u></b>        |
| <b>Net decrease in cash and cash equivalents</b>   | <b>(26)</b>                  | <b>(512)</b>                 |
| <b>Cash and cash equivalents at beginning of financial period</b>                            | <b>23</b>                    | <b>1,340</b>                 |
| <b>Currency translation adjustment on cash and cash equivalents</b>                          | <b>10</b>                    | <b>(1)</b>                   |
| <b>Cash and cash equivalents at end of financial period *</b>                                | <b><u>7</u></b>              | <b><u>827</u></b>            |
| <b>* Analysis of cash and cash equivalents:</b>  |                              |                              |
| Cash and bank balances   | 1,466                        | 2,113                        |
| Bank overdraft   | (1,459)                      | (1,286)                      |
|  | <u>7</u>                     | <u>827</u>                   |

**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         |                 |                                      |                     |                    |          |      | Non-controlling interests | Total equity |
|--|---------------|-----------------|--------------------------------------|---------------------|--------------------|----------|------|---------------------------|--------------|
|  | Share capital | Treasury shares | Foreign currency translation reserve | Revaluation reserve | Accumulated losses | Subtotal |      |                           |              |
| Balance at 1 July 2018   | 57,554        | (426)           | (3,493)                              | 46,535              | (52,927)           | 47,243   | 95   | 47,338                    |              |
| Effects of acquiring non-controlling interests in a subsidiary | -             | -               | -                                    | -                   | (83)               | (83)     | 25   | (58)                      |              |
| Total comprehensive income for the financial year              | -             | -               | 53                                   | 5,496               | (5,374)            | 175      | (29) | 146                       |              |
| Balance at 30 June 2019  | 57,554        | (426)           | (3,440)                              | 52,031              | (58,384)           | 47,335   | 91   | 47,426                    |              |
| Balance at 1 July 2019   | 57,554        | (426)           | (3,440)                              | 52,031              | (58,384)           | 47,335   | 91   | 47,426                    |              |
| Total comprehensive income for the financial year              | -             | -               | 23                                   | -                   | (1,579)            | (1,556)  | (9)  | (1,565)                   |              |
| Balance at 31 December 2019                                    | 57,554        | (426)           | (3,417)                              | 52,031              | (59,963)           | 45,779   | 82   | 45,861                    |              |

| (AUD'000)   | Company       |                 |                                      |                    |          | Total equity |
|---|---------------|-----------------|--------------------------------------|--------------------|----------|--------------|
|   | Share capital | Treasury shares | Foreign currency translation reserve | Accumulated losses |          |              |
| Balance at 1 July 2018                            | 57,554        | (426)           | (1,717)                              | (25,276)           | 30,135   |              |
| Total comprehensive income for the financial year | -             | -               | -                                    | (15,368)           | (15,368) |              |
| Balance at 30 June 2019                           | 57,554        | (426)           | (1,717)                              | (40,644)           | 14,767   |              |
| Balance at 1 July 2019                            | 57,554        | (426)           | (1,717)                              | (40,644)           | 14,767   |              |
| Total comprehensive income for the financial year | -             | -               | -                                    | (854)              | (854)    |              |
| Balance at 31 December 2019                       | 57,554        | (426)           | (1,717)                              | (41,498)           | 13,913   |              |

**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 2019 and the Company has no outstanding convertibles as at 31 December 2019 (as at 30 June 2019: Nil). In addition, the number of treasury shares held by the Company as at 31 December 2019 is 3,548,000 (as at 30 June 2019: 3,548,000), representing 0.73% of the issued and paid up share capital of the Company as at 31 December 2019 (as at 30 June 2019: 0.73%). There were no subsidiary holdings held against the total number of shares outstanding as at 31 December 2019 (as at 30 June 2019: 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 2019, the total number of issued shares excluding treasury shares of the Company was 483,170,542 shares (30 June 2019: 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 2019.

**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 2019.

**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 2019.

In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards (International) ("SFRS(I)", which became effective beginning 1 July 2019, 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 new accounting standard *SFRS(I) 16: Leases* which came into effect on 1 July 2019, sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for leases.

The group will apply the new accounting standard on modified retrospective approach to recognise the cumulative effect of initially applying SFRS(I) 16. Accordingly, the comparative financial statements will not be restated. The adoption of SFRS(I) 16 did not give rise to any significant changes to Group's financial statements except for the increase in right-of-use assets and an increase in lease liabilities.

**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                        |                              |
|--|------------------------------|------------------------------|
|  | 1/7/2019<br>to<br>31/12/2019 | 1/7/2018<br>to<br>31/12/2018 |
| Loss attributable to shareholders for the financial year (AUD'000) | (1,579)                      | (933)                        |
| Weighted Average Number of ordinary shares                         | 483,170,542                  | 483,170,542                  |
| Earnings per ordinary shares (AUD cents)                           |                              |                              |
| - Basic and fully diluted basis                                    | (0.33)                       | (0.19)                       |

**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    |           |
|--|------------|-----------|------------|-----------|
|  | 31/12/2019 | 30/6/2019 | 31/12/2019 | 30/6/2019 |
| Net asset value per ordinary shares based on issued capital (excluding treasury shares) at the end of the financial year (AUD cents) | 9.49       | 9.82      | 2.88       | 3.06      |

**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), 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**

The Group registered a net loss of AUD1.59 million for the half year ended 31 December 2019 (“HY2020”) as compared to a net loss of AUD0.95 million in the same period last year (“HY2019”) on the back of a 4.74% decrease in total revenue from AUD24.82 million to AUD23.65 million. The decrease was mainly attributable to lower gaming revenue in the Group’s land-based hotel and casino operations in Alice Springs, Northern Territory (“NT”) arising from a softening gaming market. This was mitigated by strong growth in hotel and convention centre revenue which recorded an increase of 6.68% and 8.38% respectively. The business in NT remained profitable and continued to be the main driver to the Group revenue, contributing 98.48% or AUD23.29 million (HY2019: 98.35% or AUD24.41 million) to the total revenue.

Total operating expenses remained consistent with a marginal increase of 0.08% or AUD0.02 million to AUD22.88 million in HY2020 as compared to AUD22.86 million in HY2019, despite a 2.00% increase in gaming tax rate and aggressive marketing spent in an effort to increase gaming market share.

The Group registered Earnings before Interest, Tax, Depreciation and Amortisation of AUD4.34 million compared to AUD5.52 million in HY2019 mainly due to lower revenue as mentioned above.

As reported in previous announcements, the Group completed the disposal of the freehold land and property, and the business assets of TGDE on 29 July 2019. The Group registered a loss from discontinued operations of AUD0.31 million in HY2020 as compared to AUD0.67 million in HY2019.

Total depreciation expenses from continuing and discontinued operations reduced by 11.68% or AUD0.44 million to AUD3.30 million in HY2020 (HY2019: AUD3.74 million), mainly due to nil depreciation in discontinued operations and the effects of adoption of SFRS(I) 16 Leases, which has resulted in an amortisation of right-of-use assets of AUD0.27 million.

Finance costs from continuing and discontinued operations decreased by 10.11% or AUD0.20 million to AUD1.78 million in HY2020 from AUD1.98 million in HY2019. The savings was due to repayment of bank borrowings and lower interest rate.

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.

The Group’s income tax was 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**

As at 31 December 2019, the Group recorded a decrease in net assets to AUD45.86 million as compared to AUD47.43 million as at 30 June 2019 whilst the net current liabilities increased to AUD13.99 million, from AUD12.28 million. The total assets of the Group have decreased by AUD6.43 million to AUD141.43 million from AUD147.86 million. The fluctuations of net current liabilities and total assets of the Group was mainly due to the disposal of TGDE during the period.

The adoption of SFRS(I) 16: Leases has given rise to a right-of-use assets of AUD3.07 million and the corresponding current and non-current lease liabilities of AUD1.19 million and AUD1.69 million respectively as at 31 December 2019.

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.



**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), 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. (Continued)**

**Cash Flow Review**

For the period under review, the Group recorded net cash outflow from operating activities of AUD2.19 million, as compared to a net cash inflow of AUD3.42 million in the corresponding period. This was mainly due to lower revenue and higher outflow in trade and other payables including refunds made to forward booking guests and redundancy payments to staff following the sale of TGDE. The proceeds from the sale of AUD5.00 million is reflected in the investing activities.

Net cash used in financing activities decreased to AUD1.90 million (HY2019: AUD2.40 million) due to less net repayment of bank borrowings. Cash and cash equivalents as at 31 December 2019 stands at AUD0.01 million as compared to AUD0.02 million as at 30 June 2019.

**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 Group's land-based hotel and casino operations remain its key revenue and earnings contributors. According to a competitor analysis report by STR, our hotel, Crowne Plaza Alice Springs Lasseters continues to achieve growth and has consistently outperformed competitors in the region. Occupancy rates have also improved with the influx of tourists to Alice Springs in the months leading to the permanent climbing ban of Uluru in October 2019. However, we are vigilant against the threat of the recent severe bushfire currently impacting many communities across Australia and the novel coronavirus outbreak, which will likely have an effect on the hospitality industry, including domestic and international tourism to the NT in the next 12 months.

Notwithstanding this, the NT Government continues to invest in tourism for the NT with the Turbo2 initiatives, committing an additional investment of AUD62.80 million over two financial years starting 2019/2020 in support of the local economy to grow its tourism potential (source: <https://turbochargingtourism.nt.gov.au/home>). This coupled with the on-going NT Government support in the business events, specifically Alice Springs Convention Centre, will continue improve the prospects of Alice Springs as a preferred unique tourist destination and Meeting, Incentives, Conventions and Exhibitions venue in Central Australia. On the back of the recent severe bushfires across the country, the Australian Government has channelled a further AUD76.00 million to boost the tourism sector, according to a joint media release dated 19 January 2020 (source: <https://www.trademinister.gov.au/minister/simon-birmingham/media-release/rebuilding-australian-tourism>).

Following two consecutive years of increases in gaming tax and an aggressive machines renewal drive from the local clubs, the Group's gaming division has been withstanding challenges, affecting its gaming revenue and contribution. A change in government alcohol policy and the resulting tightening in security has also resulted in lower patronage as well as additional business cost. To counter this, the Group has recently added new contemporary gaming machines and upgraded our cash redemption terminals on top of increasing marketing activities to protect and grow our market share. These new machines have proven to be very popular over the last two months, spearheading our casino to regain some lost market share in an overall declining gaming market. The Group will continue to focus on its machines replacement program to enhance our gaming offerings; improve gaming floor facilities and ambience; and continue to innovate our loyalty programme and identifying new areas of improvements to mitigate the challenges.

The Group's joint venture in Malaysia to develop, own and operate a 229-key 4-star Mercure hotel under the ACCOR group remains on track with targeted soft opening in mid-2020.

For FY2020, the Board will continue to prudently manage its business strategies and focus on effective cost management amidst a decelerating growth in the Australian economy and low interest rate environment.

**11 If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared for the financial period ended 31 December 2019.

**(b) (i) Amount per share**

No dividend has been declared for the financial period ended 31 December 2019.

**(ii) Previous corresponding period**

No dividend has been declared for the financial period ended 31 December 2018.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend for the half year ended 31 December 2019 has been declared as the Group has not recorded profits.

**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 2019 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 joint venture company, 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 redeemable non-convertible non-cumulative preference shares (“RNCNCPS”) of RM1.00 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 3.90 million RNCNCPS during the period under review, the issued and paid-up capital of SARSB has increased from RM8.12 million to RM12.02 million comprising 1.00 million ordinary shares and 11.02 million RNCNCPS of RM1.00 each respectively.

**BY ORDER OF THE BOARD**

**DATO’ JAYA J B TAN**  
**Executive Chairman**  
**7 February 2020**

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST 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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