

## **APPENDIX 4D**

### **HALF-YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A**

**Name of entity**

*Cypress Lakes Group Limited*

**ABN or equivalent reference #**

*76 003 621 136*

**Reporting period**

*Half-year ended 31 December 2008*

**Previous corresponding period**

*Half-year ended 31 December 2007*

***The information contained in this report should be read in conjunction with the most recent annual financial report.***

#### **Contents**

#### **Item**

Results for announcement to the market  
Net tangible assets per ordinary share  
Accounting Standards  
Press release

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## 1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

\$A'000

Revenue from ordinary activities	up/down	12.6 %	to	\$	17,911
Loss from ordinary activities after income tax attributable to members	up/down	399.1 %	to	\$	(2,097)
Net loss for the period attributable to members	up/down	399.1 %	to	\$	(2,097)

### Dividends per Share

	Amount per share	Fully franked amount per share
Final	Nil cents	Nil cents
Interim	Nil cents	Nil cents

Record date for determining entitlements to dividends N/A

It is not proposed to pay dividends for the period ended 31 December 2008.

## 2. NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)

Current Period	Previous corresponding period
0.06	0.56

## 3. ACCOUNTING STANDARDS

Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AIFRSs") have been used in compiling the information contained in this Appendix 4D.

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## CYPRESS LAKES GROUP LIMITED

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### 4. PRESS RELEASE

Cypress Lakes Group Limited's operating businesses, namely The Golden Door and Cypress Lakes Resort incurred a loss of \$2.1 million during the six months ended December 2008, compared to \$0.6million during the previous corresponding half year.

During the half-year the company successfully completed a Rights Issue from which \$0.5 million was received and as a consequence of equity issued in consideration the company became a subsidiary of Lasseters International Holdings Limited (LIH). The company also received working capital funds amounting to \$0.3 million from LIH.

In the six months to December 2008 the company did not undertake any new development due to continuing adverse conditions in the investment property market.

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**Cypress Lakes Group Limited**  
ACN 003 621 136

**Financial Statements**  
**Half Year Ended 31 December 2008**

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## **CYPRESS LAKES GROUP LIMITED AND CONTROLLED ENTITIES**

**A.C.N. 003 621 136**

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### **DIRECTORS' REPORT**

Your directors present their report on the company and its controlled entities for the half-year ended 31 December 2008.

#### **Directors**

The names of the directors in office at the time of this report are:

- Dato' Jaya Tan (Chairman)
- Dato' Kamal Tan
- Mr San Chuan Tan
- Mr Allan Farrar

The following changes in directorships occurred subsequent to the end of the half-year:

- Tan Sri Dato' Wong Tok Chai resigned effective 6 February 2009
- Mr George Huang (alternate for Tan Sri Dato' Wong Tok Chai) ceased effective 6 February and his resignation from directorships of subsidiaries of the company occurred on 9 February 2009.
- Mr Arthur Lee resigned as a director of the company and subsidiaries effective 7 February 2009.
- Ms Emily Ye Huang resigned effective 7 February 2009
- Mr Chong Hua Ong resigned effective 9 February 2009

#### **Principal Activities**

The principal activities of the group are operator of Cypress Lakes Resort and The Golden Door Health Retreats and Spas, as well as that of property owner and developer.

The resort currently includes a championship golf course, villa hotel accommodation, conference facilities, restaurants, bars, lounges and other sports and leisure facilities. The Golden Door Health Retreats are Willow Vale located in south-east Queensland and Elysia located in the Hunter Valley adjacent to Cypress Lakes Resort. The Golden Door Day Spas are located at Cypress Lakes Resort, at Sheraton Mirage on the Gold Coast in Queensland and at the Salt Resort at Kingscliff in New South Wales.

#### **Results**

The unaudited consolidated result of the consolidated entity for the six months ended 31 December 2008 was a loss of \$2,096,665.

#### **Dividends**

No dividends were paid or recommended for the six months ended 31 December 2008.

## CYPRESS LAKES GROUP LIMITED AND CONTROLLED ENTITIES

A.C.N. 003 621 136

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### Review of Operations

Cypress Lakes Group Limited's operating businesses, namely The Golden Door and Cypress Lakes Resort incurred a loss of \$2.1 million during the six months ended December 2008, compared to \$0.6million during the previous corresponding half year.

During the half-year the company successfully completed a Rights Issue from which \$0.5million was received and as a consequence of equity issued in consideration the company became a subsidiary of Lasseters International Holdings Limited (LIH). The company also received working capital funds amounting to \$0.3 million from LIH.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 3.

### Rounding of Amounts to the Nearest Thousand Dollars

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

Signed in accordance with a resolution of the Board of Directors.



.....  
Dato' Jaya Tan  
Director



.....  
Dato' Kamal Tan  
Director

Sydney,

Signed this 12<sup>th</sup> day of February, 2009

11 February 2009

The Directors  
Cypress Lakes Group Limited  
Level 18  
2 Park Street  
SYDNEY NSW 2000

Dear Directors

**DECLARATION OF INDEPENDENCE TO THE DIRECTORS OF CYPRESS LAKES GROUP LIMITED**

To the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

**BDO Kendalls (QLD)**



**P A Gallagher**  
Partner

Brisbane

**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Condensed Income Statement**  
**for the Half-Year Ended 31 December 2008**

	<b>Consolidated Entity</b>	
	<b>Half Year</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	17,888	20,442
Cost of sales	(9,356)	(10,415)
Gross profit	8,532	10,027
Other income	23	43
Cypress Lakes Resort expenses	(4,747)	(4,888)
Golden Door Group expenses	(3,878)	(4,033)
Administrative expenses	(686)	(498)
Borrowing costs expenses	(1,341)	(1,243)
<b>Loss before income tax benefit</b>	<b>(2,097)</b>	<b>(592)</b>
<b>Income tax benefit</b>	<b>-</b>	<b>172</b>
<b>Loss attributable to members of Cypress Lakes Group Limited</b>	<b>(2,097)</b>	<b>(420)</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(3.4)	(0.8)
Diluted earnings per share	(3.4)	(0.8)

The above Condensed Income Statement should be read in conjunction with the accompanying notes.



**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Condensed Balance Sheet**  
**for the Half-Year Ended 31 December 2008**

	<b>Consolidated Entity</b>	
	<b>31 December 2008 \$'000</b>	<b>30 June 2008 \$'000</b>
<b>CURRENT ASSETS</b>		
Cash assets	79	412
Receivables	1,194	1,696
Inventories	890	862
Other	611	578
Total Current Assets	<u><b>2,774</b></u>	<u><b>3,548</b></u>
<b>NON-CURRENT ASSETS</b>		
Receivables	54	58
Property, plant and equipment	42,267	43,126
Deferred tax assets	-	-
Intangible assets	1,622	1,622
Total Non-Current Assets	<u><b>43,943</b></u>	<u><b>44,806</b></u>
<b>TOTAL ASSETS</b>	<u><b>46,717</b></u>	<u><b>48,354</b></u>
<b>CURRENT LIABILITIES</b>		
Payables	3,985	4,116
Financial liabilities	31,349	30,989
Other	4,636	4,776
Total Current Liabilities	<u><b>39,970</b></u>	<u><b>39,881</b></u>
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities	263	400
Deferred tax liabilities	990	990
Provisions	197	170
Total Non-Current Liabilities	<u><b>1,450</b></u>	<u><b>1,560</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>41,420</b></u>	<u><b>41,441</b></u>
<b>NET ASSETS</b>	<u><b>5,297</b></u>	<u><b>6,913</b></u>
<b>EQUITY</b>		
Issued Capital	37,617	37,136
Reserves	4,094	4,094
Accumulated losses	(36,414)	(34,317)
<b>TOTAL EQUITY</b>	<u><b>5,297</b></u>	<u><b>6,913</b></u>

The above Condensed Balance Sheet should be read in conjunction  
with the accompanying notes.

**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Condensed Cash Flow Statement**  
**for the Half-Year Ended 31 December 2008**

	<b>Consolidated Entity</b>	
	<b>Half Year</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	19,374	21,351
Payments to suppliers and employees	(18,988)	(19,341)
Interest received	23	43
Interest and other costs of finance paid	(1,341)	(1,244)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(932)</b>	<b>809</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(105)	(224)
Proceeds from sale of equipment	-	15
Other investing cashflows	-	-
<b>Net cash (outflow) from investing activities</b>	<b>(105)</b>	<b>(209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	481	-
Proceeds from borrowings	1,050	-
Repayment of borrowings	(827)	(449)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>704</b>	<b>(449)</b>
NET (DECREASE) / INCREASE IN CASH HELD	(333)	151
Net cash at beginning of period	412	1,218
<b>NET CASH AT END OF PERIOD</b>	<b>79</b>	<b>1,369</b>

The above Condensed Statement of Cash Flows should be read in conjunction  
with the accompanying notes.

**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Condensed Statement of Changes in Equity**  
**for the Half-Year Ended 31 December 2008**

	<b>Issued capital \$'000</b>	<b>Retained earnings \$'000</b>	<b>Other reserves \$'000</b>	<b>Total equity \$'000</b>
<b>At 1 July 2007</b>	37,136	(18,251)	14,441	33,326
Loss for the period	-	(420)	-	(420)
Impairment of revalued land and buildings, net of tax	-	-	(1,050)	(1,050)
<b>At 31 December 2007</b>	<b>37,136</b>	<b>(18,671)</b>	<b>13,391</b>	<b>31,856</b>
Loss for the period	-	(15,646)	-	(15,646)
Impairment of revalued land and buildings, net of tax	-	-	(9,297)	(9,297)
<b>At 30 June 2008</b>	<b>37,136</b>	<b>(34,317)</b>	<b>4,094</b>	<b>6,913</b>
Issue of share capital	481	-	-	481
Loss for the period	-	(2,097)	-	(2,097)
<b>At 31 December 2008</b>	<b>37,617</b>	<b>(36,414)</b>	<b>4,094</b>	<b>5,297</b>

The above Condensed Statement of Changes in Equity should be read in conjunction  
with the accompanying notes

**CYPRESS LAKES GROUP LIMITED**

**ACN 003 621 136**

**Notes To The Financial Statements  
for the Half-Year Ended 31 December 2008**

**Note 1. Basis of Preparation of Half-Year Financial Statements**

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

This interim financial report has been prepared on an accruals basis on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Cypress Lakes Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report. AASB 134: Interim Financial Reporting generally only requires disclosure of accounting policies that have changed from those used in the prior annual reporting period.

**(a) Going Concern**

On a consolidated basis the Group recorded a loss of \$2,096,665 (Loss for the year ended 30 June 2008: \$16,066,403). As at 31 December 2008 the Group has a deficiency of current assets over current liabilities of \$37,196,234 (30 June 2008 deficiency \$36,333,022). After adjusting for deferred income and advance deposits disclosed as current liabilities, the current liabilities exceeded the current assets by \$33,151,956 (30 June 2008 deficiency \$32,209,986).

The ability of the consolidated entity to correct the deficits, maintain the carrying value of assets and continue to meet future financial commitments will depend on the continued financial support from the Bank, the majority shareholder and the consolidated entity's ability to derive projected future cashflows and profitability to pay its debts as and when they fall due.

In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

**(b) Correction of Prior Period Error**

In the financial report for the year ended 30 June 2008, the amount of Goodwill calculated at the time of acquisition of The Golden Door Health Retreat at Willowvale was incorrectly transferred to tangible fixed assets of the same cash generating unit (CGU). The CGU was independently valued at that time.

We have corrected this error which has resulted in the following change to the balance sheet of the consolidated group at 30 June 2008:

	<b>Presented at 30 June 2008 \$'000</b>	<b>Correction of error \$'000</b>	<b>Corrected Balances at 30 June 2008 \$'000</b>
Property, plant and equipment	44,701	(1,575)	43,126
Intangible assets	47	1,575	1,622

**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Notes To The Financial Statements**  
**for the Half-Year Ended 31 December 2008**

**(c) Comparative Information**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**Note 2. Segment Information**

**Primary reporting - business segments**

<b>Half-year 2008</b>	<b>Tourist &amp; Leisure \$'000</b>	<b>Health Retreats &amp; Spas \$'000</b>	<b>Intersegment eliminations \$'000</b>	<b>Consolidated \$'000</b>
Total segment revenue	9,116	8,772	-	17,888
Intersegment sales		88	(88)	-
Total sales revenue	<u>9,116</u>	<u>8,860</u>	<u>(88)</u>	<u>17,888</u>
Segment result	<u>(1,785)</u>	<u>(322)</u>	<u>(13)</u>	(2,120)
Interest income				<u>23</u>
Loss before income tax expense				<u>(2,097)</u>
<b>Half-year 2007</b>	<b>Tourist &amp; Leisure \$'000</b>	<b>Health Retreats &amp; Spas \$'000</b>	<b>Intersegment eliminations \$'000</b>	<b>Consolidated \$'000</b>
Total segment revenue	10,536	9,906	-	20,442
Intersegment sales		89	(89)	-
Total sales revenue	<u>10,536</u>	<u>9,995</u>	<u>(89)</u>	<u>20,442</u>
Segment result	<u>(825)</u>	<u>189</u>	<u>1</u>	(635)
Interest income				<u>43</u>
Loss before income tax expense				<u>(592)</u>

**CYPRESS LAKES GROUP LIMITED**  
**ACN 003 621 136**

**Notes To The Financial Statements**  
**for the Half-Year Ended 31 December 2008**

**Note 3. Equity Securities Issued**

	Half Year		Half Year	
	2008	2007	2008	2007
	Shares	Shares	\$'000	\$'000
<b>Issues of Ordinary Shares During the Half-Year</b>				
Rights issue	10,484,773	-	524	-
Less: transaction costs arising on shares issued	-	-	(43)	-
	<u>10,484,773</u>	<u>-</u>	<u>481</u>	<u>-</u>

**Note 4. Contingent Liabilities**

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2008.

**Note 5. Events Subsequent To Balance Date**

There were no significant after balance date events.

**Note 6. Earnings per Share**

	Half Year	
	2008	2007
	cents	cents
Basic earnings per share	(3.4)	(0.8)
Diluted earnings per share	(3.4)	(0.8)

	Half Year	
	2008	2007
	\$'000	\$'000
<b>Reconciliation of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Net (loss)/profit	(2,097)	(420)
Earnings used in calculating basic earnings per share	<u>(2,097)</u>	<u>(420)</u>
Diluted earnings per share		
Net (loss)/profit	(2,097)	(420)
Earnings used in calculating diluted earnings per share	<u>(2,097)</u>	<u>(420)</u>

**Note 7. Rounding of Amounts**

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

**CYPRESS LAKES GROUP LIMITED AND CONTROLLED ENTITIES**

**A.C.N. 003 621 136**

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**DECLARATION BY DIRECTORS**

The directors of the company declare that:

- I. The Financial Statements, comprising the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes are in accordance with the Corporations Act 2001; and
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the half-year ended on that date of the consolidated entity.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



.....  
Dato' Jaya Tan  
Director



.....  
Dato' Kamal Tan  
Director

Sydney,

Signed this 12<sup>th</sup> day of February, 2009

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cypress Lakes Group Limited

ABN 70 202 702 402

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cypress Lakes Group Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cypress Lakes Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cypress Lakes Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

### *Emphasis of Matter in respect of Going Concern*

Without qualification to the conclusion expressed above, attention is drawn to the following matter.

As disclosed in note 1 (a) of the half-year financial report, the consolidated entity recorded a loss for the year of \$2,096,665 (loss for the year ended 30 June 2008: \$16,066,403) At 31 December 2008, the consolidated entity has a deficiency of current assets over current liabilities of \$37,196,234 (30 June 2008 deficiency \$36,333,022).

Having regard to the consolidated entity's losses for the half-year ended 31 December 2008 and the net deficiency of current assets at balance date, the ability of the consolidated entity to correct the deficits, maintain the carrying value of assets and continue to meet future financial commitments will depend on the continued support of the bank, and the ability of the entity to negotiate restructured banking facilities, the support of the significant shareholder and creditors, and the ability to derive projected future cash flows and profitability in order to meet the entity's debts as and when they fall due. In the event the consolidated entity becomes unable to continue as a going concern, it may be required to realize its assets and extinguish its liabilities at amounts different from those currently stated in the financial report.

### **BDO Kendalls (QLD)**



**P A Gallagher**  
Partner

Brisbane: 12 February 2009