Land & Homes Group Limited
ABN 33 090 865 357
Ground Floor, 203 Wharf Street
Spring Hill QLD 4000
T +61 7 3905 5658
F +61 7 3229 4740
E info@landnhomesgroup.com

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ASX Release (ASX Code: LHM) **31 OCTOBER 2020**

QUARTERLY ACTIVITIES AND APPENDIX 4C CASH FLOW REPORTS

The Company releases its Activities Report and Appendix 4C – Quarterly report for entities subject to Listing Rule 4.7B.

Authorised by the Company Secretary.

For further information please contact:
Andrew J. Cooke,
Company Secretary
andrewcooke@landnhomesgroup.com

About Land & Homes Group Limited

Land & Homes Group Limited (LHM) is a property development company focused on the acquisition of prime sites for project development into quality residential, commercial and mixed-use apartments. The Company is listed on the Australian Securities Exchange. Its strategy is to hold a diverse portfolio of high-yield properties and projects at various stages of development and construction.

The Company's operations have been established in Brisbane to develop quality, medium to high-density residential apartments for an expanding market in the strong sustainable growth region of South East Queensland. Initially concentrating the business activity on Brisbane city, the residential products are to be developed in attractive convenient locations of inner Brisbane area suitable for a balance of both investors and owner occupiers.

The Company is well placed to leverage the credentials and track record of its major shareholder, the Lian Huat Group, in property development in Australia with strong networks and insight into the needs of investors from Asia. With this experience, LHM will realise its *Asia Vision* through the establishment of an experienced management team that has expertise in Australia's property market, urban planning, project management and finance, along with an intimate knowledge of the appetite and demands of the significant Asian market.

Please visit the Company web site for additional details: www.landnhomesgroup.com

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QUARTERLY ACTIVITIES REPORT – 30 SEPTEMBER 2020 QUARTER

BARRY PARADE PROJECT

During the quarter, 40% of design development was generally completed. This included the addition of a 5th car parking basement level with the additional car spaces creating a more saleable product for apartments that were previously without a car space. The height of basement level 1 has also been increased to allow for trucks to load and unload in the basement, thus minimising the requirement for deliveries via the residential entry foyers. Final apartment layouts have been agreed and an additional apartment has also been added to level 28 resulting in an increase to gross revenue for the project.

The sales display suite design was finalised during the quarter however construction of the display suite has been deferred until market conditions improve.

The Company's advertising and marketing consultants commenced the creative design and production of marketing materials in conjunction with the sales agents.

The Company's lawyers have prepared a draft disclosure document and draft sales contract. Engagement with the project surveyors and body corporate managers has commenced in order to prepare supporting contract documents including a draft survey and body corporate management plans as required.

WHARF STREET PROPERTY

Due to the impact of COVID-19 leasing activity for the Company's Wharf Street property has been materially subdued. The Wharf Street property offers an ideal opportunity for CBD tenants seeking to downsize to the northern edge of CBD. Nevertheless, the Company has resolved to defer planned renovation works until sufficient leasing commitments can be secured and is currently reviewing its development plans and financing options.

PROJECT EXPENDITURE

Project expenditure incurred during the quarter ended 30 September 2020 on the groups' project is set out below:

Project	Amount Incurred
Barry Parade	$686,950
Wharf St Property	$11,550

Due to the impact of COVID-19, the Company may have to defer the development of its properties, thus reducing future operating cash requirements from current levels. As far as possible, the Company will reduce its operating costs in order to weather the current challenging and unprecedented market conditions, whilst re-evaluating its development strategy going forward.

PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

Gross Interest of $172,723 was paid to Khosland Management Pte Ltd in relation to Convertible Notes issued to the entity, which is associated with the Chairman of the Company.

Approved and Authorised for release by the Executive Committee.

For further details contact: info@landnhomesgroup.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Land & Homes Group Limited	
ABN	**Quarter ended ("current quarter")**
33 090 865 357	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	29	29
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(85)	(85)
	(f) administration and corporate costs	(93)	(93)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(308)	(308)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other Inventory - (property held for resale and related capitalisation of development expenses)	(699)	(699)
1.9	**Net cash from / (used in) operating activities**	**(1,156)**	**(1,156)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**		

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	1,150	1,150
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**1,150**	**1,150**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	535	535
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,156)	(1,156)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,150	1,150
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**529**	**529**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	529	535
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**529**	**535**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	29,960	29,960
7.2	Credit standby arrangements		
7.3	Other (please specify)	11,502	11,502
7.4	**Total financing facilities**	**41,462**	**41,462**

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Loan Facilities:

United Overseas Bank continues to provide two loans for an aggregate amount of $29,960,000 for the Barry Parade and the Wharf Street properties. The loans are subject to an interest margin of 1.5% - 2.0% per annum over and above the relevant period Bank Bill Swap Reference Rate. The loans are secured by way of first legal mortgages over these two properties.

Other Facilities:

Working Capital Unsecured Loan, from Khosland Management Pte Ltd. (a related party)

Amount $1,228,770 ($1m Singapore dollars). Repayment of this loan was previously extended to 31 December 2019 with an interest rate of 7%, or upon LHM securing appropriate funding from other sources. It is contemplated that the Company will seek a further extension of the repayment date.

Convertible Notes

The Convertible Notes are unsecured and repayable in 60 months from the date of issue or 9 months from the date of issue if shareholder approval is not obtained to the convertibility of the Notes within three months of the date of issue. To date the Company has not obtained shareholder approval as contemplated by the terms of the Notes and accordingly some of the Notes have become repayable however the relevant Noteholders have not sought repayment to date.

The $9,697,594 worth of Class A Notes bear interest of 9.0%, with the interest repayable Quarterly.

The $575,581 worth of Class B Notes bear interest of 13.8%, with the interest repayable with the capital at the end of the Note term.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,156)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	529
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	529
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	0.46

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8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: During the previous quarter, $699k of the net operating cash flow pertained to development costs. Due to the impact of COVID-19, the Company may have to defer the development of its properties, thus reducing the operating cash requirements from current levels.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is currently reviewing its development plans and financing options, including the medium to long term realisation of assets, if necessary.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: As far as possible, the Company will reduce its operating costs in order to weather the current challenging and unprecedented market conditions, whilst re-evaluating its development strategy going forward.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2020

Authorised by: The Audit Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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