

Mr. Alex Sutton
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

26 April 2019

Dear Alex

Appendix 4C Query

We refer to the ASX query dated 24 April 2019 relating to the Company's Appendix 4C for the March 2019 quarter (released 18 April 2019) and respond as follows:

1. The Company expects that it will continue to have negative operating cash flows for the time being while it pursues the development of its two key property assets which are both located in Brisbane:
 - a) The 100 Barry Parade, Fortitude Valley site where the Company holds a Development Approval ("DA") for a two tower development offering a total residential of 492 apartments with a high level of resident amenities and services; and
 - b) The 207 Wharf Street, Spring Hill site where the Company is actively seeking new tenants and is also exploring a possible sale or alternative redevelopment.

The negative operating cash flows are largely due to interest expenses and holding costs associated with these two sites which will continue until such time as they are successfully redeveloped and/or ultimately sold off by the Company.

2. Since 31 March 2019 the Company has successfully secured \$225,000 in additional funding by way of Convertible Notes from a related party. The Company believes that ongoing related party support may be available in the future if required.

The Company is also pursuing external funding from non-related parties to assist in meeting its working capital requirements.

Subject to appropriate market conditions, the Company anticipates that it will be able to secure project funding for the redevelopment of its two projects in Brisbane. The Company believes that there is a reasonable likelihood that it will be successful in obtaining suitable project funding in the medium term assuming that the market for quality residential apartments in Brisbane improves within that timeframe.

The Company also believes that it may be able to raise additional equity funds for working capital purposes from existing shareholders or strategic investors.

3. The Company expects to be able to continue its operations and to meet its business objectives on the basis of the funding outlined above becoming available and in the expectation that it will in due course secure revenues from the commercial/residential development of its two project sites in Brisbane or the sale of part or all of either of these projects.
4. The Company believes that it is in compliance with ASX Listing Rule 3.1 and there is no

information that should be given to the ASX about its financial condition that has not already been released to the market.

5. The Company's responses to the ASX Appendix 4C Query dated 29 April 2019 have been authorised and approved by the Company's Chairman in consultation with the Audit Committee who have been delegated authority from the Board to approve responses to the ASX on disclosure matters.

Please do not hesitate to contact me if you require any additional information in relation to this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Cooke', with a stylized flourish at the end.

Andrew J. Cooke
Company Secretary

For further information: + 61 (0)7 3905 5658 or info@landnhomesgroup.com

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



24 April 2019

Mr Andrew Cooke
Company Secretary
Land and Homes Group
Level 3A, 148 Elizabeth Street
Sydney NSW 2000

By email:

Dear Mr Cooke

Land and Homes Group ('LHM'): Appendix 4C Query

ASX refers to LHM's Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX Market Announcements Platform and released on 18 April 2019 (the 'Appendix 4C').

ASX notes that LHM has reported:

- negative net operating cash flows for the quarter of \$944,000;
- cash at the end of the quarter of \$58,000; and
- estimated cash outflows for the next quarter of \$925,000.

It is possible to conclude, based on the information in the Appendix 4C, that if LHM were to continue to expend cash at the rate indicated by the Appendix 4C, LHM may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks LHM to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does LHM expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has LHM 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?
3. Does LHM expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that LHM is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that LHM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LHM with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that LHM considers may be relevant to ASX forming an opinion on whether LHM is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AEST Monday, 29 April 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in LHM's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LHM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to LHM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LHM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LHM's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Alex Sutton

Alex Sutton

Compliance Adviser, Geology, Listings Compliance (Sydney)