

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

1 March 2017

Dear Christopher

Appendix 4C Query

We refer to the ASX query dated 23 February 2017 relating to the Company's Appendix 4C for the December 2016 quarter (released 30 January 2017) 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 assets in Brisbane. The unusually large negative net operating cash flow for the December 2016 quarter related primarily to the acquisition of 100 Barry Parade, Fortitude Valley ("Barry Parade") for a total purchase price of \$20.0 million which was completed on 31 October 2016.

The Barry Parade property represents the Company's second acquisition in Brisbane, and a significant step in the Company's plan to establish itself as a real estate developer in inner Brisbane in the short to medium term. There is an existing Development Approval ("DA") in place (granted 26 Feb 2015) for a 25 storey, two tower development of up to 566 residential units, which LHM intends to revise. The revised DA contemplates a two tower development with a reduced overall footprint. If approved, the revised lower density scheme will include development of around 400-450 one and two bedroom apartments with around 1135sqm of ground floor retail facilities and approximately 340 car parking spaces over 4 basement levels.

The Company also owns a property at 207 Wharf Street, Spring Hill which will generate some revenue for the short term until the current tenant vacates the property. The Company is actively seeking a new tenant for the premises and has appointed a leasing agent in this regard. The Company is also exploring redevelopment and other options for this site.

2. The Company has secured a \$1.0 million Singapore dollar loan facility from S.LH Corporation Pte Ltd which is a related party. This loan will assist the Company with its working capital requirements and was announced to the market on 27 February 2017.

The Company believes that it will also secure project funding as required in respect of its operations in the Brisbane property sector. The Company believes that there is a strong likelihood that this will be successful in the future as required.

The Company also believes that it may be able to raise additional funds as required for working capital purposes from existing shareholders or strategic investors. The Company has engaged in some preliminary dialogue in this regard and believes that it is reasonably likely that it will be successful in finalising this additional funding as and when it is required.

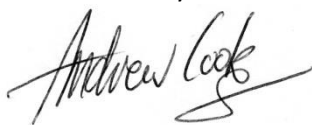
3. The Company expects to be able to continue its operations and to meet its business objectives on the basis of the funding outlined above becoming available and in the expectation that it will in due course secure revenues from the commercial/residential development of its two

projects 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 23 February 2017 have been authorised and approved by the Company's Executive Director who has been delegated authority from the Board to respond 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



Andrew J. Cooke
Company Secretary

For further information:

Grant Archibald, Executive Director + 61 (0)7 3905 5658 or info@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



23 February 2017

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

By email: andrewcooke@landnhomesgroup.com

Dear Mr Cooke,

Land & Homes Group Limited (“the Company”): Appendix 4C Query

I refer to the Company’s Appendix 4C quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform and released on 30 January 2017 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$19,189,000;
- cash at the end of the quarter of \$378,000 and
- estimated cash outflows for the next quarter of \$1,628,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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 the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’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 the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (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, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30am AEST on Wednesday, 1 March 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in Company'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, Company'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 chris.dobbs@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

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 Company'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 the Company'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 the Company's securities under Listing Rule 17.1.

If you wish 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*.

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

Yours sincerely,

[Sent electronically without signature]

Christopher Dobbs
Adviser, Listings Compliance
P: 02 9227 0000