

ASX Release**2 May 2016****ASX: LHM**

Purchase of Barry Parade Property in Fortitude Valley, Brisbane for \$20 million

Land & Homes Group Limited (ASX: **LHM**) (**Land & Homes** or **the Company**) is pleased to announce that Land & Homes Investment Pty Ltd (a wholly owned subsidiary of the Company) has today entered into a conditional Put and Call Option Agreement to acquire 100 Barry Parade, Fortitude Valley ("Barry Parade") for a total consideration of \$20.0 million. The material commercial terms of the Agreement are summarised in the attachment to this Announcement.

Barry Parade represents the Company's second acquisition in Brisbane, and follows the recent re-quotations of Land & Homes on the ASX.

The Company stated in its recent Prospectus that it intended to search for well-located development sites. The Barry Parade acquisition is a further step in the Company's plan to establish itself as a real estate developer in inner Brisbane and the broader South East Queensland region in the short to medium term.

The Company is delivering against its commitment for the development of a number of projects of this scale as it looks to build its reputation and LHM's brand strength to gain market confidence.

Description of property

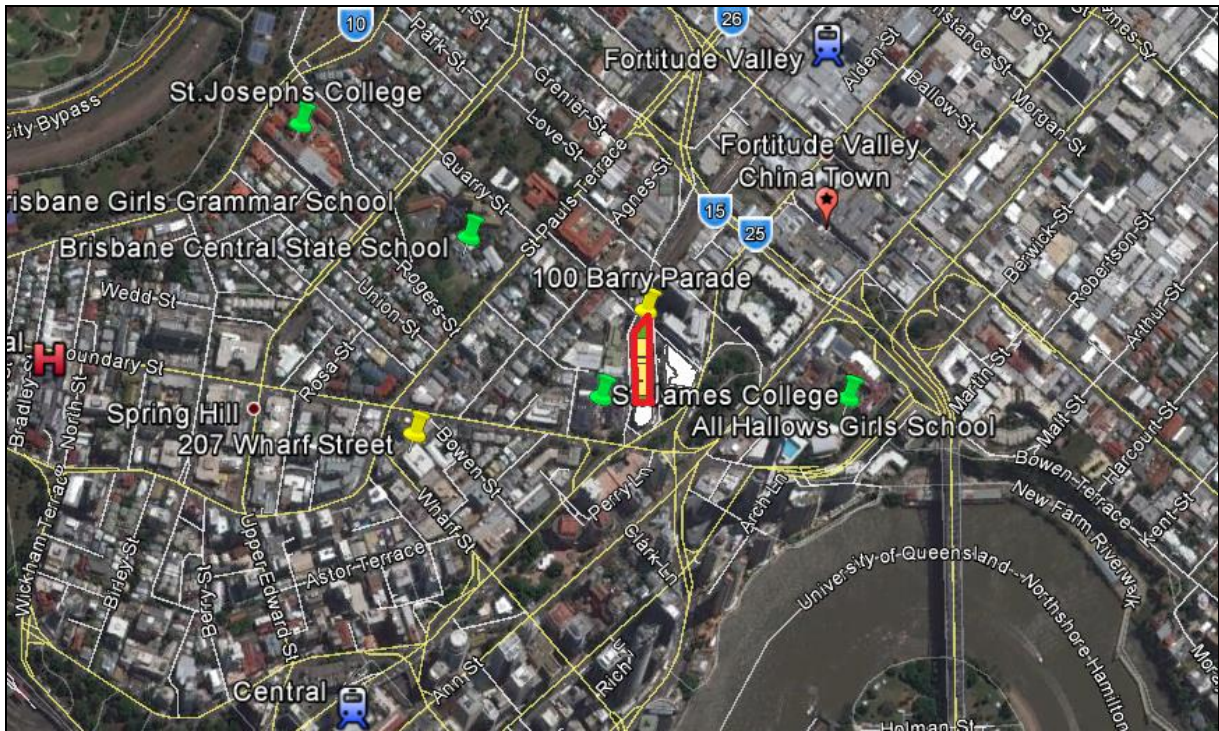
The 100 Barry Parade site is currently comprised of a number of single storey commercial/industrial units together with an operational services station, and is occupied by three tenants on a monthly holdover.

The site is considered to be a prime residential apartment location being located on the edge of Fortitude Valley, Spring Hill and the Brisbane CBD. It is within easy walking distance of the city and its major retail and entertainment offerings, employment nodes, several schools, and has a variety of transport options available to it.

The Barry Parade acquisition fits strategically within Land & Homes' preferred property development model to develop quality, medium to high-density residential apartments for an expanding market in a strong sustainable growth region.

The site further meets the Company's investment requirements by allowing for the future development of a residential project in a desirable, convenient location of the inner Brisbane area, an area the Company believes will continue to be sought after by both investors and owner occupiers.

The Company's prefers not to compete in mature redeveloped areas, but rather in locations that are well suited to the progressive demographic shift to inner Brisbane and that will be attractive for both stable rental and long term home ownership.



Plans for the property

There is an existing Development Approval (“DA”) approval 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 Company believes there is a potentially better use of the opportunity with a simpler design concept. This, along with a staged approach to the development of the site, will provide a better return for shareholders. Working with its locally-based architects and designers, LHM is reviewing the feasibility of two more efficient and more elegantly designed towers, including a larger overall podium area.

The revised development is proposed to involve a much simpler structure with a reduced overall footprint when compared to the current approved scheme. If approved, the revised lower density scheme would provide the following accommodation profile:

- a two tower development of around 400-450 one and two bedroom apartments;
- around 1135sqm of ground floor retail facilities
- approximately 340 car parking spaces over 5 basement levels.

The board of LHM are satisfied this approach will deliver a materially lower acquisition price per apartment, which provides the foundation of a well-priced acquisition and planned development in an excellent location on the CBD edge.

In addition to their strategic location, all Land & Home projects are intended to have a high level of quality in apartment planning, building design and finish and incorporate energy management initiatives providing high environmentally sustainable development standards for both resident and body corporate benefit.

Financing of the acquisition

LHM intends to finance the acquisition through a combination of debt and equity.

The equity component is to be funded by a Rights Issue the detailed terms of which are expected to be announced on or about 20 May 2016.

The debt component of the purchase price will be funded by way of commercially available bank debt which the Company is currently negotiating.

Directors believe the deferred settlement of 31 October 2016 will give LHM sufficient time to arrange funding before the site's proposed development in 2017, as well as to revise the project's design and secure the amended approvals required for this.

For further information:

Siew Goh, Chief Operating Officer + 612 8281 3033 or info@landnhomesgroup.com

Enquiries:

Bill Kemmery, FUNDEXA + 61 400 122 449 or bill@fundexa.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's strategy is to be a company listed on the Australian Securities Exchange (ASX) in the property development sector, with 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.

Land & Homes Group intends to make its flagship Wharf Street project in Brisbane the first of many such residential developments, transforming *Asia's inspiration* into *Australia's landmark*.

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

Summary of Terms and Conditions - Proposed Purchase of 44, 60-66 and 100 Barry Parade, Fortitude Valley (Property)

The material commercial terms of the Put and Call Option Agreement (**Agreement**), are as follows:

1. Land & Homes Investment Pty Ltd (**LHI**) being a wholly owned subsidiary of the Company, is granted a call option to purchase the Property, or to nominate a third party to purchase the Property (**Option**).
2. The exercise of the Option is subject to **LHI** obtaining the approval of the Foreign Investment Review Board to the option granted in the Agreement within 30 days after execution of the Agreement. If the approval is not obtained by that date, LHI has the benefit of two extension rights, each of 30 days;
3. A security deposit of \$2 million is payable by LHI as follows:
 - (a) An initial advance deposit of \$1 million (AUD) is payable within 5 Business Days following execution of the Agreement;
 - (b) A further payment of deposit of \$1 million (AUD) is payable 3 months after execution of the Option.
4. The Agreement permits LHI to exercise the Option at any time prior to 5pm on 30 September 2016;
5. LHI has the right to nominate a third person to purchase the Property if LHI does not do so itself. If however LHI nominates a third party, LHI guarantees and indemnifies the Vendor in respect of the performance of the nominated purchaser's obligations under the contract of sale ;
6. If LHM (or its nominee) does not exercise the Option within the permitted time frame, the Vendor may exercise its put option against LHI at any time prior to 5pm on 7 October 2016;
7. Upon exercise of the Option or the Vendor's put option, a contract of sale (**Contract**) will be formed between the Vendor and the relevant purchaser (**Purchaser**). The form of the Contract is annexed to the Agreement.
8. The material commercial terms of the Contract are as follows:
 - (a) Purchase price - \$20 million (AUD) exclusive of GST;
 - (b) Deposit of \$2 million (AUD) payable on execution of the Contract (the Security Deposit paid under the Agreement forms part of the Deposit);
 - (c) Settlement date of 31 October 2016 upon which the Purchase Price must be paid to the vendor (less any deposit paid and subject to contractual adjustments);
 - (d) Purchaser acknowledgement of the Vendor's disclosure of lots comprising the Property being recorded on the environmental management register and/or contaminated land register;
 - (e) The Property is being purchased on 'as is basis', subject to all faults and defects whether apparent or not (including in relation to any environmental liabilities affecting the Property);
 - (f) As at the date of the Agreement there are existing monthly tenancies in place and it is intended that the going concern exemption will apply with respect to GST on the supply of the Property under the Contract. If the going concern exemption does not apply and GST is payable, the purchaser is required to remit that GST to the Vendor within 30 days, and the Vendor will contribute \$175,000 towards the additional costs incurred by the purchaser because of the supply being treated as a taxable supply, excluding the actual GST liability;
 - (g) If LHI is not the purchaser, LHI guarantees the performance of the purchaser's obligations under the Contract;