

ASX Release (ASX Code: LHM)

31 July 2023

QUARTERLY ACTIVITIES REPORT – 30 JUNE 2023 QUARTER

BARRY PARADE PROJECT

The long-term economic forecast for Brisbane and SE Queensland is generally positive with established strong population inflow and projected housing stock shortages. However, the past 12 months of well documented cost of living increase, significant construction cost escalation and the international economic disruption impacts on production costs has required an industry wide regular review of proposed development program.

The Barry Parade project is well placed in terms of its location and its product offering and is being positioned predominantly for the national and local market to meet the anticipated demand. Nevertheless, the cost of new production impact has meant significant product pricing adjustments will be required and this will take a period for the market to absorb.

Over the last quarter the Company has maintained its position to prudently defer the launch of its project marketing strategy from 2022 to at least late 2023 when cost of borrowing and construction costs are expected to stabilise.

In preparation, the company has undertaken some improvements, including leasing new premises adjacent to the project for the sales and marketing venue, while continuing to monitor the industry economic environment.

A further \$585,000 was advanced to the company by Khosland Management Pte Ltd (a related party) to assist with operational overheads, terms and conditions are disclosed in the accompanying Appendix 4C.

PROJECT EXPENDITURE

Project expenditure incurred during the quarter ended 30 June 2023 on the groups' project is set out below:

Project Amount Incurred

1. Barry Parade	\$54,272
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PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

Payments to related parties in the amount of \$84,665 were paid during the quarter ended 30 June 2023, with the following breakdown:

1. Wages & Director Fees	\$56,250
2. Interest paid to Khosland Management Pte Ltd	\$12,000

Approved and authorised for release by the Executive Committee.

For further details contact: info@landnhomesgroup.com

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of Entity

LAND & HOMES GROUP LIMITED

ABN

33 090 865 357

Quarter ended ("current quarter")

30 JUNE 2023

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	18	75
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(65)	(311)
(f) administration and corporate costs	(82)	(252)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	(223)	(921)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (development costs)	(55)	(898)
1.9 Net cash from/(used in) operating activities	(403)	(2,296)

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Appendix 4C

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(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	-	-

	Current quarter \$A'000	Year to date (9 months) \$A'000
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	585	585
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	585	585

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	Current quarter \$A'000	Year to date (9 months) \$A'000
4. Net increase/(decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	677	2,570
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(403)	(2,296)
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)	585	585
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	859	859

	Current quarter \$A'000	Previous Quarter \$A'000
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		
5.1 Bank balances	859	677
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)	859	677

6. Payments to related parties of the entity and their associates

- 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

Current quarter \$A'000
68
-

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7. Financing Facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	17,000	17,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	13,129	13,129
7.4 Total financing facilities	30,129	30,129

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 a loan of \$17,000,000 for the Barry Parade Property. The loan is subjected to an interest rate of 6.3555% per annum. The loan is secured by way of first legal mortgage over the property.

Other Facilities:
Working Capital Unsecured Loan, from Khosland Management Pte Ltd (a related party) Amount \$1.974m. The loan is repayable at call. However, assertions have been given that the lender will endeavour to support the Company to the extent necessary to ensure that the Company will be able to continue to fund ongoing operations and meet its liabilities as and when they fall due. The loan is subjected to an interest rate of 7% per annum.

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 \$9,787,594 worth of Class A Notes bear interest of 9.0%, with the interest repayable quarterly.
The \$781,633 worth of Class B Notes bear interest of 13.8%, with the interest repayable with the capital at

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(403)
8.2 Cash and cash equivalents at quarter end (item 4.6)	859
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	859
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	2.1

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

8.8.1 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 ?

N/A

8.8.2 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?

N/A

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

N/A

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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 July 2023

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 risk management and internal control which is operating effectively.

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