

ASX Release (ASX Code: LHM)**31 AUGUST 2021**

APPENDIX 4E – PRELIMINARY FINAL REPORT YEAR ENDED 30 JUNE 2021

Attached is the Company's Appendix 4E and Preliminary Final Report for the Year ended 30 June 2021.

Authorised by the Board.

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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APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Lodged with the ASX under Listing Rule 4.3A

APPENDIX 4E

Results for announcement to the market

Net tangible assets

Control over other entities

Associates and joint venture entities

Preliminary financial statements

Compliance statement

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Company Details

Name of reporting entity:	Land & Homes Group Limited
ABN:	33 090 865 357
Reporting period:	1 July 2020 - 30 June 2021
Prior corresponding reporting period:	1 July 2019 - 30 June 2020

Results for announcement to the market

Revenue from ordinary activities	Up	56%	to	411,452
Loss from ordinary activities attributable to members	Up	94%	to	(4,058,242)
Net comprehensive loss for the year	Up	94%	to	(4,058,242)

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year.

Review of Operations

The consolidated loss for the year ended 30 June 2021 was \$4,058,242 (2020 loss:\$2,093,972)

The net assets of the Group as at 30 June 2020 was \$2,696,324. (30 June 2020: \$6,754,566)

The Land & Homes Group's business strategy is focused on property investment and multi-purpose property development in Australia. The Group's preferred property development model is to develop quality, medium to high density residential apartments in South East Queensland, focussing initially on Brisbane. The residential developments are to be in attractive, convenient locations of the inner Brisbane area suitable for a balance of both investments and owner occupiers.

The Group owns two properties in Brisbane, 207 Wharf Street, Spring Hill and 100 Barry Parade, Fortitude Valley. During the financial year, the Group entered into a binding contract for the sale of 207 Wharf Street, Spring Hill. The current focus of the Group remains to be the redevelopment of 100 Barry Parade into a multi-storey mixed use tower over the next 5 years.

Net tangible assets

Net tangible asset backing per ordinary share at 30 June 2021, 0.257 cents and at corresponding period 0.644 cents.

Control over other entities

Name of entity:	N/A
Date of control gained:	N/A
Contribution to reporting entity's profit:	N/A

**PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**

For the year ended 30 June 2021

		Group	
	Note	2021 (unaudited) \$	2020 \$
Revenue			
Revenue	2	138,482	185,790
Other income	2	272,970	77,405
		411,452	263,195
Expenses			
Employee benefits expense		469,660	550,242
Management fee		-	(641,667)
Professional fees		183,992	137,217
Share registry		9,241	7,393
Insurance		66,415	70,107
Travel expenses		2,247	40,187
Rental costs - Investment property		548,310	514,551
Depreciation and amortisation expense		371,490	373,137
Movement in fair value in investment property		1,380,478	-
Other expenses		93,540	159,528
		3,125,373	1,210,695
Loss before finance costs and income tax		(2,713,921)	(947,500)
Finance costs		1,344,321	1,146,472
Loss before income tax		(4,058,242)	(2,093,972)
Income tax expense		-	-
Loss for the year		(4,058,242)	(2,093,972)
Other comprehensive income:		-	-
Total comprehensive loss		(4,058,242)	(2,093,972)
Earnings per share			
Basic and diluted (loss) per share (cents)		(0.39)	(0.20)

The above statement should be read in conjunction with the accompanying notes.

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group	
		2021 (unaudited) \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents		1,231,170	535,395
Trade and other receivables		16,657	142,204
Other assets	3	173,429	16,155
Investment property	5	19,500,000	-
Total Current Assets		20,921,256	693,754
Non-Current Assets			
Inventories	4	28,281,555	26,638,382
Property, plant and equipment		15	1,661
Investment property	5	-	21,233,770
Total Non-Current Assets		28,281,570	47,873,813
Total Assets		49,202,826	48,567,567
Liabilities			
Current Liabilities			
Trade and other payables	6	1,866,779	1,525,193
Borrowings	7	44,639,723	40,287,808
Total Current Liabilities		46,506,502	41,813,001
Non-Current Liabilities			
Borrowings		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		46,506,502	41,813,001
Net Assets		2,696,324	6,754,566
Equity			
Issued capital		69,078,509	69,078,509
Reserves		23,961	23,961
Retained earnings		(66,406,146)	(62,347,904)
Total Equity		2,696,324	6,754,566

The above statement should be read in conjunction with the accompanying notes.

PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Ordinary Shares	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2019	69,078,509	(60,253,932)	23,961	8,848,538
Comprehensive income				
Loss for the year	-	(2,093,972)	-	(2,093,972)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(2,093,972)	-	(2,093,972)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2020	<u>69,078,509</u>	<u>(62,347,904)</u>	<u>23,961</u>	<u>6,754,566</u>
Balance at 1 July 2020	69,078,509	(62,347,904)	23,961	6,754,566
Comprehensive income				
Loss for the year	-	(4,058,242)	-	(4,058,242)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(4,058,242)	-	(4,058,242)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2021	<u>69,078,509</u>	<u>(66,406,146)</u>	<u>23,961</u>	<u>2,696,324</u>

The above statement should be read in conjunction with the accompanying notes.

PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Group	
	2021 (unaudited)	2020
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	378,252	255,302
Payments to suppliers and employees	(2,000,502)	(1,040,789)
Interest received	110	2,213
Finance costs	(556,543)	(930,399)
Payments for land and development	(1,348,990)	(1,551,911)
Net cash (used in) operating activities	<u>(3,527,673)</u>	<u>(3,265,584)</u>
Cash Flows from Investing Activities		
Payments for investment property	(16,552)	(109,835)
Net cash (used in) Investing Activities	<u>(16,552)</u>	<u>(109,835)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings - external lenders	4,240,000	3,368,000
Repayment of borrowings - external lenders	-	-
Net cash provided by Financing Activities	<u>4,240,000</u>	<u>3,368,000</u>
Net increase in cash held	695,775	(7,419)
Cash and cash equivalents at beginning of financial year	535,395	542,814
Cash and cash equivalents at end of financial year	<u><u>1,231,170</u></u>	<u><u>535,395</u></u>

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 30 June 2021

Note 1: Summary of Significant Accounting Policies

There have been no material changes in the Company's application of its significant accounting policies as presented in the Company's financial statements for the year ended 30 June 2020. Readers of this report should refer to Note 1: Summary of Significant Accounting Policies in the afore-mentioned statements for details of those accounting policies.

Note 2: Revenue and Other Income

	Group	
	2021 (unaudited)	2020
	\$	\$
Revenue		
Rental revenue	138,482	185,790
	<u>138,482</u>	<u>185,790</u>
Other income		
- Other income	100,110	77,405
- Unrealised foreign exchange gains	61,145	-
- Government Covid-19 subsidiaries	111,715	-
	<u>272,970</u>	<u>77,405</u>

Note 3: Other Assets

	Group	
	2021 (unaudited)	2020
	\$	\$
Current		
Deposits	-	16,155
Prepayments	173,429	-
	<u>173,429</u>	<u>16,155</u>

Note 4: Inventories

	Group	
	2021 (unaudited)	2020
	\$	\$
Non-Current		
<i>Property held for resale</i>		
Land held for sale	21,319,234	21,319,234
Capitalised Development Costs	6,962,321	5,319,148
Aggregate Carrying Costs	<u>28,281,555</u>	<u>26,638,382</u>

This property held as inventory, located at 100 Barry Parade, Brisbane is pledged as security with United Overseas Bank Ltd.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 30 June 2021

Note 5: Investment Property

	Group	
	2021 (unaudited)	2020
	\$	\$
At Cost		
Balance at beginning of year	21,233,770	21,503,764
Acquisitions and additional costs - Wharf Street	16,552	99,850
Depreciation - Building component	(369,844)	(369,844)
Fair value movement	(1,380,478)	-
Balance at end of year	<u>19,500,000</u>	<u>21,233,770</u>

The property located at 187, 191, 195, 199, 203, 207 and 2011A Wharf Street, Spring Hill, Brisbane was originally purchased for \$22,727,792, inclusive of stamp duty and other acquisition costs. The Group has applied the cost model. The total cost of \$22,742,995 was allocated between land (\$6,100,000) and buildings (\$16,642,995). The remaining expected useful economic life of the building has been determined to be 45 years and the building component has been depreciated on a straight-line basis. To date, the Group has recognised a depreciation charge of \$1,978,919 and improvements of \$116,402.

Note 6: Trade and Other Payables

	Group	
	2021 (unaudited)	2020
	\$	\$
Current		
Trade payables	1,066,734	962,409
Accrued expenses and payroll liabilities	800,045	562,784
	<u>1,866,779</u>	<u>1,525,193</u>

Note 7: Borrowings

	Group	
	2021 (unaudited)	2020
	\$	\$
Current		
Unsecured		
Loan from Related Party Shareholder ¹	1,253,786	1,227,389
Convertible Note - Class A	9,787,594	8,547,594
Convertible Note - Class B	638,343	552,825
	<u>11,679,723</u>	<u>10,327,808</u>
Secured		
Bank loans	32,960,000	29,960,000
	<u>32,960,000</u>	<u>29,960,000</u>
Total current borrowings	<u>44,639,723</u>	<u>40,287,808</u>

¹The loan from SLH Corporation Pte Ltd (SLH) is interest bearing but unsecured, and provides for a total facility of \$1 million Singapore dollars to the Group for its overhead expenses. On 22 November 2018, SLH Corporation Pte Ltd (SLH) assigned the loan to Khosland Management Pte Ltd. The term of the loan expired 31 December 2019. The Company is in the process of renegotiating an extension of this loan.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 30 June 2021

Note 8: Interest in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		2021 (%)	2020 (%)
Land & Homes Investment Pty Ltd	Australia	100	100
Brisbane Land Holdings Pty Limited	Australia	100	100
BLH Wharf Pty Ltd	Australia	100	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 9: Issued Capital

The Group has authorised share capital amounting to 1,049,389,293 ordinary shares.

No shares were issued during the reporting period.

Note 10: Earnings per share

	Group	
	2021 (unaudited) \$	2020 \$
Losses used in the calculation of basic and dilutive EPS	(4,058,242)	(2,093,972)
	Number	
	2021 (unaudited)	2020
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,049,389,293	1,049,389,293
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,049,389,287	1,049,389,287

Note 11: Operating Segments

Management currently identifies the consolidated entity as having only one operating segment, being the acquisition of prime sites for project development into quality residential, commercial and mixed-used apartments. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the Group.

Note 12: Events Subsequent to Reporting Date

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 14 July 2021, the Company announced it had completed the sale of 207 Wharf Street for \$19.5million. As a result, the Company repaid \$18.96million of its borrowings with the bank.

On 27 July 2021, the Company announced that 347,227,356 LHMO options which have an exercise price of \$0.20 will expire on 12 August 2021.

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 30 June 2021

Note 13:

Contingent Liabilities

This Preliminary Financial Report assumes a liability to a Director related entity in the amount of \$225,744. The amount owed to the Director related entity is in dispute. The Director related entity claims that the amount due is \$960,317. The Director related entity believes that it is entitled to be paid management fees.

There is no Management Agreement with the Director related entity and accordingly, the Company does not believe that it has any obligation to pay the management fees claimed by the Director related entity. Management fees that had previously been accrued by the Company were reversed by the Company during the period ended 31 December 2019.

There were no other contingent liabilities.

COMPLIANCE STATEMENT

The financial information provided in Appendix 4E is based on the annual financial report which is being prepared in accordance with Australian Accounting Standards or standards acceptable to ASX.

The reporting and the accounts upon which the report is based used the same accounting policies.

In the Directors' Opinion, this report does give a true and fair view of the matters disclosed.

The annual financial report for Land & Homes Group Limited is in the process of being audited. The Directors understand that the audit is not subject to any disputes or qualifications and the audit is expected to be completed on or before 30 September 2021.



Signed:
Choon Keng Kho
Director
31 August 2021