

## Appendix 4D – Land & Homes Group Limited for the 6 Month Period Ended 31 December 2016

### 1. Company details

Name of entity:	Land & Homes Group Limited
ACN:	090 865 357
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the full-year ended 30 June 2016

### 2. Results for announcement to the market

	Change	Period Ended	
		31 Dec 2016	31 Dec 2015
Revenue		\$1,401,252	\$160
Loss from ordinary activities after tax attributable to the owners of Land & Homes Group Limited	up 60%	(\$286,647)	(\$708,584)
Net (loss) for the period attributable to the owners of Land & Homes Group Limited		(\$286,647)	(\$708,584)

### 3. Dividends Paid and Proposed

	Dividends Amount per security	Franked amount per security
Interim dividend	nil cents	nil cents
<b>Previous corresponding period</b>		
Interim dividend	nil cents	nil cents

### 4. Earnings Per Share

	Reporting period Cents	Previous period Cents
Loss per Share (Basic & Diluted)	(0.0284)	(0.1322)

### 5. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.4	0.172

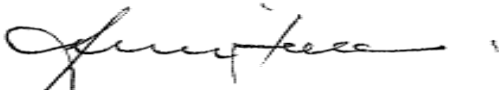
### 6. Control Gained or Lost over Entities

No change in control over entities.

### 7. Compliance Statement

The report is based on financial statements which have been reviewed by an auditor, a copy of which is attached. The Review report has been modified to include an Emphasis of Matter paragraph.

Signed in accordance with a resolution of Directors

Signed   
**Grant Archibald (Executive Director)**

# **Land & Homes Group Limited**

ACN: 090 865 357

## **Interim Financial Statements**

For the half-year ended 31 December 2016

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## **Directors' Report**

The Directors present their report on Land & Homes Group Limited (the "Company") and its subsidiaries (referred to hereafter as the "Group"), for the half year ended 31 December 2016.

### **Directors**

The names of the Directors of the Group in office during the whole of the half-year and up to the date of this report are:

- Choon Keng (CK) Kho – Non-Executive Chairman
- Peter Henry Mackinlay – Independent Non-Executive Director / Deputy Chairman
- Patrick Chuan Thye Kho – Non-Executive Director
- Shawn Chuan Chi Kao – Independent Non-Executive Director
- Kwee Jee Lee – Independent Non-Executive Director
- Kim Huat Koh – Independent Non-Executive Director
- Grant Archibald – Independent Non-Executive Director (appointed Executive Director 1 February 2017)
- Charles Chow Cher Lim – Non-Executive Director
- Siew Goh – Executive Director & COO

The directors have been in office since the start of the financial year to the date of this report.

### **Company Secretary**

Andrew John Cooke

### **Principal activities and significant changes in nature of activities**

The principal activity of the Group is to develop quality, medium to high-density residential apartments initially focusing in the city of Brisbane.

### **Review of operations and operating results**

The loss after income tax of the Group for the period amounted to \$286,647 (2015: \$708,584).

On 31<sup>st</sup> August 2016, the wholly owned subsidiary, Land & Homes Investments Pty. Ltd. exercised its call option to acquire 100 Barry Parade, Fortitude Valley for a total consideration of \$20 million (before statutory costs). The site is 3,154m<sup>2</sup>. A further loan from United Overseas Bank for \$14 million was secured to partly finance this acquisition.

The company issued a further 172,113,684 ordinary shares, which raised \$8,606,027 (before share transaction costs). This was through an initial Rights Issue (159,505,764 shares at \$0.05 each, yielding \$7,975,288), which was oversubscribed and consequently resulted in a private placement (12,607,914 shares at \$0.05, which raised \$630,396). Two share options were attached to each of these shares issued, with an exercise price of \$0.20, expiring on 12 August 2021. The funds raised were applied to repay the loans to Telok Ayer Capital Pvt. Ltd and Telok Ayer Holdings Pvt. Ltd., assist in the acquisition of Barry Parade and for working capital.

### **Financial position**

The net assets of the Group at 31 December 2016 are \$14,702,456, (31 December 2015: \$924,288).

### **Events after the end of the reporting period**

On the 27<sup>th</sup> February 2017, Land & Homes Group Ltd entered into a loan agreement with a related party, S.LH Corporation Pte Ltd. (SLH). S.LH agreed to lend up to \$1 million Singapore dollars to LHM for its overhead expenses.

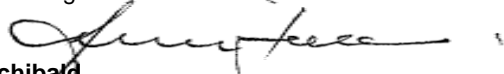
The loan should be drawn down in accordance with the approved expenditure plan, is unsecured and bears interest at the SIBOR rate (Singapore Inter Bank overdraft rate) plus 1.75% (approximately a total of 2.75 % to 3% at the current SIBOR rate)

The loan has a 12 month term, repayable when LHM raises appropriate alternative funding or after 12 month, whichever is earlier. The Australian Federal Police (AFP) lease of the Wharf Street property expires on 30th April 2017. AFP will not be renewing the lease. Wharf Street's leasing agent CBRE is actively seeking a new tenant for the premises. Besides this, no matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affair of the company in future financial years.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration in accordance with Section 307C of the Corporations Act 2001 is included on page 4 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.



**Grant Archibald**  
**Executive Director**

Dated this 28th day of February 2017

**Land and Homes Group Limited**

ACN: 090 865 357

**Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Land and Homes Group Limited**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

DFK Laurence Varnay



Faizal Ajmat  
Partner

Sydney

28 February 2017

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2016

	<b>Consolidated Entity</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Rental Income	1,380,438	
Other Income	20,814	160
<b>Revenue</b>	<b>1,401,252</b>	<b>160</b>
<b>Expenses</b>		
Employee Benefits	(503,661)	(36,900)
Professional Fees	(74,778)	-
Share Registry Expenses	(22,207)	-
Insurance	(16,047)	-
Cost of ASX Reinstatement	-	(385,681)
Other Expenses	(82,553)	(286,163)
Travel Expenses	(54,132)	-
Wharf St Outgoings	(406,503)	-
Rental Costs	(42,386)	-
Share Option expense	(17,101)	-
Depreciation	(255,467)	-
<b>Total Expenses</b>	<b>(1,474,835)</b>	<b>(708,744)</b>
<b>Loss Before Finance Costs and Income Tax</b>	<b>(73,583)</b>	<b>(708,584)</b>
Finance costs	(213,064)	-
<b>Loss before income tax</b>	<b>(286,647)</b>	<b>(708,584)</b>
Income tax expense	-	-
<b>Loss from Continuing Operations</b>	<b>(286,647)</b>	<b>(708,584)</b>
Other Comprehensive Income	-	-
<b>Total comprehensive loss</b>	<b>(286,647)</b>	<b>(708,584)</b>
<b>Earnings per share</b>		
Basic earnings per share (cents)	( 0.0284 )	(0.1322)
Diluted earnings per share (cents)	<u>(0.0284)</u>	<u>( 0.1322)</u>

The accompanying notes form part of these financial statements.

# Land & Homes Group Limited

ACN: 090 865 357 005

## Consolidated Statement of Financial Position

As at 31 December 2016

	Consolidated entity	
	31 Dec 2016	30 June 2016
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	377,873	743,506
Trade and other receivables	232,051	68,398
Other assets	548,701	1,036,860
<b>Total Current Assets</b>	<b>1,158,625</b>	<b>1,848,764</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	21,417	2,512
Inventories	21,729,318	-
Investment property (Wharf Street)	22,373,030	22,610,418
<b>Total Non-Current Asset</b>	<b>44,123,765</b>	<b>22,612,930</b>
<b>Total Assets</b>	<b>45,282,390</b>	<b>24,461,694</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	619,934	1,066,710
Borrowings	-	16,960,000
<b>Total Current Liabilities</b>	<b>619,934</b>	<b>18,026,710</b>
<b>Non Current Liabilities (Borrowings)</b>	<b>29,960,000</b>	<b>-</b>
<b>Total Liabilities</b>	<b>30,579,934</b>	<b>18,026,710</b>
<b>Net Assets</b>	<b>14,702,456</b>	<b>6,434,984</b>
<b>EQUITY</b>		
Issued capital	69,078,509	60,541,493
Accumulated Losses	(54,393,154)	(54,106,509)
Share Option Reserve	17,101	-
<b>Total Equity</b>	<b>14,702,456</b>	<b>6,434,984</b>

The accompanying notes form part of these financial statements.

## **Consolidated Statement of Changes in Equity**

**For the half-year ended 31 December 2016**

<b>Consolidated entity</b>	<b>Ordinary Shares</b>	<b>Share Option Reserve</b>	<b>Retained Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	60,541,493		(54,106,509)	6,434,984
Loss attributable to members	-		(286,647)	(286,647)
Issue of shares	8,606,027		-	8,606,027
Transaction/Share Option costs	(69,012)		-	(69,012)
Share Option cost	-	17,101	-	17,101
<b>Balance at 31 December 2016</b>	<b>69,078,508</b>	<b>17,101</b>	<b>(54,393,154)</b>	<b>14,702,456</b>

<b>Consolidated entity</b>	<b>Ordinary Shares</b>	<b>Shares To Be Issued Reserve A</b>	<b>Retained Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	52,163,223		(52,453,877)	(290,654)
Loss attributable to members	-		(708,584)	(708,584)
Issue of shares	500,000		-	500,000
Share subscriptions Received		1,551,000	-	1,551,000
Share issue costs	-	(127,474)	-	
<b>Balance at 31 December 2015</b>	<b>52,663,223</b>	<b>1,423,526</b>	<b>(53,162,461)</b>	<b>924,288</b>

Note A – The reserve related to share capital whereby the share scripts were issued after 31 December 2015, on 19 January 2016.

The accompanying notes form part of these financial statements.



# Land & Homes Group Limited

ACN: 090 865 357 005

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2016

	Consolidated entity	
	31 Dec 2016	30 June 2015
	\$	\$
<b>Cash Flows from Operating Activities:</b>		
Receipts from customers	1,798,865	-
Payments to suppliers and employees	(1,462,159)	(184,875)
Payments for ASX reinstatement	-	(371,644)
Interest received	8,973	160
Payments for land and development	(20,729,318)	-
Interest expense	(212,864)	-
<b>Net cash used in operating activities</b>	<b>(20,596,703)</b>	<b>(556,359)</b>
<b>Cash Flows from Investing Activities:</b>		
Payment for property, plant & equipment	(21,795)	-
Payment for investment property	(15,190)	-
<b>Net cash used in investing activities</b>	<b>(36,985)</b>	<b>-</b>
<b>Cash Flows from Financing Activities:</b>		
(Payment of )/ Proceeds from borrowings – related parties	(500,000)	500,000
(Payment of )/ Proceeds from borrowings – external lenders	(1,768,963)	250,000
Proceeds from loan offset	14,000,000	
Proceeds from issue of shares	8,606,030	1551,000
Payment of share issuance transaction costs	(69,012)	(38,512)
<b>Net cash provided by financing activities</b>	<b>20,268,055</b>	<b>2,262,488</b>
Net increase in cash and cash equivalents held	(365,633)	1,706,129
Cash and cash equivalents at beginning of year	743,506	44,019
<b>Cash and cash equivalents at end of financial year</b>	<b>377,873</b>	<b>1,750,148</b>

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2016**

**1 Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting.'

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**(a) Going Concern**

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlements of liabilities in the ordinary course of business. For the half year ended 31 December 2016 Land & Homes Group Limited incurred a loss of \$286,647 and had net assets as at 31 December 2016 of \$14,702,456.

The directors consider the going concern basis to be appropriate and the ability of the Company to implement its business plan as detailed in its prospectus issued on 18<sup>th</sup> November 2015.

As detailed in Note 5 – Events after the end of the Reporting Period, a loan of up to \$1 million Singapore dollars has been secured from a related party, which can be drawn down to meet LHM Group's overhead expenses as required. With this facility in place, the directors consider the going concern basis to be appropriate and the ability of the Company to implement its business plan as detailed in its prospectus issued on 18th November 2015.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

**(b) New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations have been considered. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

**Notes to the Financial Statement**  
**For the Half-Year Ended 31 December 2016**

**2 Operating Segments**

The Group operate in Australia is currently concentrating on an operating segment which develops quality, medium to high-density residential apartments, with its initial focus on the city of Brisbane.

**3 Issued Capital**

	<b>31 December 2016</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Fully Paid Ordinary Shares	<u>69,078,508</u>	<u>60,541,493</u>

**(a) Movement in ordinary shares on issue**

	<b>No.</b>	<b>\$</b>
At the beginning of the reporting period	877,275,609	60,541,493
Issue of shares		
- 172,113,684 shares at \$0.05 issued 12 August 2016	<u>172,113,684</u>	<u>8,537,015</u>
At the end of the reporting period	<u>1,049,389,293</u>	<u>69,078,508</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Share Options**

Share options have been allotted with the shares issued during this period (on 12 August 2016), with an exercise price of \$0.20, expiring on 12 August 2021.

**Share Options**

	<b>Shares Issued</b>	<b>Options Allotted</b>
2 attaching listed options issued per share	172,113,684	344,227,368
Options for services rendered	-	3,000,000
Total	<u>172,113,684</u>	<u>347,227,368</u>

**Notes to the Financial Statement**  
**For the Half-Year Ended 31 December 2016**

**4 Earnings per share**

(a) Reconciliation of earnings to profit or loss from continuing operations

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
Net loss for the period	<b>(286,647)</b>	(708,584)
Earnings used to calculate basic EPS from continuing operations	<b>(286,647)</b>	(708,584)
<b>Earnings used in the calculation of dilutive EPS</b>	<b>(286,647)</b>	(708,584)

(b) Weighted average number of ordinary shares during the period used in calculating basic EPS

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares during the period used in calculating basic EPS	<b>1,010,102,469</b>	515,817,693
<b>Weighted average number of ordinary shares during the period used in calculating diluted EPS</b>	<b>1,010,102,469</b>	515,817,693

**5 Events after the end of the Reporting Period**

On the 27<sup>th</sup> February 2017, Land & Homes Group Ltd entered into a loan agreement with a related party, S.LH Corporation Pte Ltd. (SLH). S.LH agreed to lend up to \$1 million Singapore dollars to LHM for its overhead expenses.

The loan should be drawn down in accordance with the approved expenditure plan, is unsecured and bears Interest at the SIBOR rate (Singapore Inter Bank overdraft rate) plus 1.75% (approximately a total of 2.75 % to 3% at the current SIBOR rate)

The loan has a 12 month term, repayable when LHM raises appropriate alternative funding or after 12 month, whichever is earlier.

The Australian Federal Police (AFP) lease of the Wharf Street property expires on 30<sup>th</sup> April 2017. AFP will not be renewing the lease. Wharf Street's leasing agent CBRE is actively seeking a new tenant for the premises. Besides this, no matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affair of the company in future financial years.

**6 Contingent Liabilities and Contingent Assets**

The Company did not have any contingencies at 31 December 2016.

**Notes to the Financial Statement**  
**For the Half-Year Ended 31 December 2016**

**7 Related Party Transactions**

Transactions with related parties:

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<i>Purchase of services</i>		
Management and other professional fees	-	200,725

All purchases from related parties were on normal commercial terms.

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

	<b>31 December 2016</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
<i>Payables to related parties</i>		
Balance brought forward	768,963	264,261
Payables on acquisition	-	290,122
Advances	-	714,580
Repayments	(768,963)	(500,000)
Total	-	768,963
<i>Loans from related parties</i>		
Balance brought forward	1,000,000	-
Advances	-	1,000,000
Repayments	(1,000,000)	-
Total	-	1,000,000

The amounts owing to and loans from a related party were unsecured and interest free.

**8 Borrowings**

In September 2016, the group renegotiated its existing loan facility to finance Wharf Street development. The total available amount under the facility was \$14,000,000. The maturity date is two year after draw down date 6 September 2016. The facility establishment fee \$35,000 were payable to the lender upon signing the new loan agreement.

In December 2016, the group renegotiated its existing loan facility to finance Barry Parade development. The total available amount under the facility was \$15,960,000. The maturity date is 24 February 2018. The facility establishment fee \$39,900 were payable to the lender upon signing the new loan agreement.

Both loans were classified as non-current liabilities.

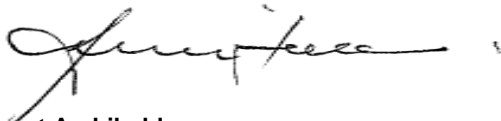
As the terms and conditions of both facilities remained unchanged, the refinancing amounts did not result in the recognition of a settlement gain or loss.

## **Directors' Declaration**

The directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 5 to 11 are in accordance with the Corporations Act 2001, including:
  - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) Give a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Grant Archibald**  
**Executive Director**

Dated this 28<sup>th</sup> February 2017

## Land and Homes Group Limited

ACN: 090 865 357

## Independent Review Report to the members of Land and Homes Group Limited

### *Conclusion*

We have reviewed the accompanying **Half-year Financial Report** of Land and Homes Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Land and Homes Group Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Emphasis of matter*

We draw attention to Note 1(a) in the Half-year Financial Report, which indicates that the ability of the Company to continue as a going concern is dependent upon the future successful raising of necessary funding through debt and equity. This condition, along with other matter as set out Note 5, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

### *The Half-year Financial Report comprises:*

- Consolidated statement of financial position as at 31 December 2016
- Consolidated statement of profit and loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The directors' declaration

The **Group** comprises Land and Homes Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

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## Land and Homes Group Limited

ACN: 090 865 357

## Independent Review Report to the members of Land and Homes Group Limited

### *Directors' Responsibility for the Half-year Financial Report*

The Directors of the Company are responsible for

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

### *Reviewer's Responsibility for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the Half-year financial report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagement ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the Half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*. As auditor of Land and Homes Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquires, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

DFK Laurence Varnay

  
Faizal Ajmat  
Partner

Sydney  
28 February 2017

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