



## LionHub Group Limited

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

3 November 2017

Dear George

### Appendix 4C Query

We refer to the ASX Appendix 4C Query dated 31 October 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 technology park projects in the Anhui Province in China. As a result of the land transaction announced on 28 June 2017, the Company expects that it may begin to recognise revenues from its land development operations within the next few months.
2. LionHub had announced on 8 August 2017, that it would be conducting a private placement of Convertible Notes to sophisticated investors initially to raise up to A\$3.5 million. The proposed Notes terms were summarised in the Company's announcement headed Private Placement of Convertible Notes dated 8 August 2017.

On 1 November 2017 S.LH Treasury Pte Ltd, a company associated with LHB's Chairman, Mr CK Kho, provided the Company with a subscription agreement for A\$100,000 being the first tranche of an overall amount of \$1 million in fresh funds that Mr CK Kho has agreed to subscribe for. The Company will lodge an Appendix 3B with the ASX once the subscription monies have been received.

The Convertibility of these Convertible Notes to be issued to S.LH Treasury Pte Ltd is expressed to be subject to shareholder approval.

The Company anticipates that S.LH Treasury will subscribe for the remaining balance of A\$900,000 in the short to medium term and also anticipates that other investors will support the Convertible Note issue. The Company remains confident that additional funds will be raised pursuant to the private placement of Convertible Notes referred to above.

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 for further land acquisition or development and in the expectation that it will begin to realise revenues as indicated in 1. above.
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 31 October 2017 have been authorised and approved by the Company's Chief Executive Officer who has been delegated authority from the Board to respond to the ASX on disclosure matters.

The Company's financial condition is adequate to warrant continued quotation of its securities and its continued listing as required by listing rule 12.2. The Company is firmly of the belief that it will be able to raise additional funding as and when required to fund operations.

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:**

Charles Lim, Chief Executive Officer + 612 8281 3008 or [info@lionhub.com.au](mailto:info@lionhub.com.au)

Andrew J. Cooke, Company Secretary + 61 (0) 412 090 826 or [andrewcooke@lionhub.com.au](mailto:andrewcooke@lionhub.com.au)

**About LionHub Group Limited**

LionHub Group Limited is a publicly listed real estate development company focusing on technology park development in China. The Company's portfolio provides Australian investors with an early mover advantage in the mainland Chinese property sector.

LionHub enjoys the support of its major shareholder, the Lian Huat Group, with a 20 year history and extensive property interests across Singapore, Australia and China.

LionHub's focus is to provide an avenue for investors to exploit the potential offered by technology park developments in China, with the Company's first project being the Singapore Xuancheng Techno Park in Anhui Province. Following shareholder approval, in August 2015 the Company acquired a 100% working interest to develop the master plan and to construct and develop a second technology park on land known as Lu'An Singapore Eco-Park.

Anhui Province is located in central China, with a large population of 60 million in an area of 139,600 km<sup>2</sup>. It lies in the hinterland of Yangtze Delta, with great economic development potential. The province is set to benefit from China's ongoing urbanisation of regional areas, with a current GDP per capita that is below the national level, and its proximity to the Shanghai, Zhejiang and Jiangsu growth belt as well as vast tourism and other resources such as transportation and a large population base.

*Further information (including recent announcements and investor presentations) is available at the Company's web site: [www.lionhub.com.au](http://www.lionhub.com.au)*



31 October 2017

Mr Andrew Cooke  
Company Secretary  
LionHub Group Limited  
Level 3A, Hyde Park Tower  
148 Elizabeth Street  
Sydney NSW 2000

By email

Dear Mr Cooke

**LionHub Group Limited (“LionHub”): Appendix 4C Query**

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

ASX notes that LionHub has reported:

- negative net operating cash flows for the quarter of \$304,000;
- cash at the end of the quarter of \$111,000; and
- estimated cash outflows for the next quarter of \$300,000.

It is possible to conclude, based on the information in the Appendix 4C, that if LionHub were to continue to expend cash at the rate indicated by the Appendix 4C, LionHub may not have sufficient cash to continue funding its operations. In view of that, ASX asks LionHub 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 LionHub expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has LionHub 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 LionHub expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that LionHub 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 LionHub’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 LionHub with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that LionHub considers may be relevant to ASX forming an opinion on whether LionHub 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 not later than 9.30am AEDT on 3 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in LionHub'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, LionHub'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 email. 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 LionHub'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 LionHub'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 LionHub'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]*

George Tharian

**Adviser, Listings Compliance (Sydney)**