



ASX ANNOUNCEMENT

3 June 2016

CLOSE OF OFFER

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The Directors of Living Cities Development Group Limited ("the Company") have determined to close the offers by way of the Replacement Prospectus dated 24 February 2016 as it is unable to meet the condition contained in the Prospectus for re-quotation of its securities on the Australian Securities Exchange ("ASX"). The Company will now return application funds lodged under the offers.

This follows ASX's decision, announced to the market on 30 May 2016, that it had determined not to admit the Company to the official list of the ASX pursuant to the Company's application lodged with ASX on 22 December 2015. As the offers cannot be completed, the reconstruction also cannot proceed.

The Board has reviewed the situation and determined that while it does not agree with the reasons for ASX refusing the admission of the Company's shares to the official list, they are subjective matters and the Listing Rules provide ASX unfettered discretion to the determine admission to the official list. When these factors are considered, including in the context of the recent policy initiatives of ASX to increase thresholds and criteria for listing applicants that are small scale start-up, backdoor listings and companies with business in emerging markets (such as China), the Company has no realistic prospect of being able to have the decision reversed on this occasion.

As a consequence, the Company has closed the offers and the reconstruction is now unable to complete successfully. This is a very disappointing for the Company, which had secured a reconstruction proposal that was supported by the shareholders in November 2015 and which would have delivered full repayment of creditors, increased the nominal value of the existing shareholders' shares by 66% and provided a new and exciting future for the Company. As announced on 19 April 2016, site works for the 5 story shopping centre in China, which formed the starting point for the Company's new business, have commenced, making the loss of this opportunity even more regrettable.

The Board is considering the options for the future business of the Company and will keep the market informed.

For further details please contact: Brett Manning, Executive Chairman on 08 9277 2600 or brett@lcg.properties