



LionHub Group Limited

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

8 February 2018

Dear George

Appendix 4C Query

We refer to the ASX Appendix 4C Query dated 5 February 2018 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 the Xuancheng Singapore Technology Park in the Anhui Province of China and seeks to resolve its position in relation to the termination notice received by the Company regarding the Lu'an Singapore Eco-Park (refer the Company's announcement "Lu'An Singapore Eco-Park – Notice of Termination of Investment Agreement Received" dated 9 January 2018).

The Company has previously anticipated that it may begin to recognise revenues from its land development operations as a result of the acquisition of 40 mu (2.67 hectare) of land within the Xuancheng Singapore Technology Park site for industrial development in joint venture with KSL (XC) Pte Ltd ("KSL"). However, there have been delays in receiving rebates that the Company is entitled to receive from the Xuancheng City Economic and Technological Development Zone Management Committee. The Company is pursuing the disbursement of the above rebates, and is nevertheless, continuing with the development of this project and has submitted applications for further land acquisitions.

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.

Since that date, S.LH Treasury Pte Ltd, a company associated with LHB's Chairman, Mr CK Kho, has subscribed \$740,000 of an overall amount of \$1 million in fresh funds that Mr CK Kho has agreed to subscribe for including \$390,000 received 7 February 2018. Another Director of the Company has subscribed a further \$25,000 for Convertible Notes. The Convertibility of these Notes is subject to shareholder approval.

The Company anticipates that S.LH Treasury will subscribe for the remaining balance of A\$260,000 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 and further advance the development of the Xuancheng Singapore Technology Park in a timely manner.

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 5 February 2018 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:

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



5 February 2018

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 31 December 2017 lodged with ASX Market Announcements Platform and released on 30 January 2018 (the “Appendix 4C”).

ASX notes that LionHub has reported:

- negative net operating cash flows for the quarter of \$240,000;
- cash at the end of the quarter of \$139,000; and
- estimated cash outflows for the next quarter of \$240,000.

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 8 February 2018. 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 e-mail. 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)