

Property Connect Holdings Limited  
ABN 27 091 320 464  
For the year ended 30 June 2020

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## Corporate directory

### Property Connect Holdings Limited For the year ended 30 June 2020

Directors	<p>Francesco Cavasinni Paul Tosi David Nolan</p>
Company Secretary	<p>David Nolan</p>
Notice of annual general meeting	<p>The details of the annual general meeting of Property Connect Holdings Limited are:</p> <p>Suite 404, 234 George Street Sydney NSW 2000 Monday 30 November 2020 at 11 am</p>
Registered office	<p>Property Connect Holdings Limited Suite 404, 234 George Street Sydney NSW 2000</p>
Share register	<p>Automic Group Level 5, 126 Phillip Street Sydney NSW 2000</p>
Auditor	<p>Pitcher Partners Level 16, Tower 2 Darling Park 201 Sussex Street Sydney NSW 2000</p>
Solicitors	<p>Addisons Level 12, 60 Carrington Street Sydney NSW 2000</p>
Bankers	<p>National Australia Bank 255 George St Sydney NSW 2000</p>
Securities exchange listing	<p>Property Connect Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: PCH ordinary shares)</p>
Website	<p><a href="https://propertyconnect.com">https://propertyconnect.com</a></p>

The directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Property Connect Holdings Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

The following persons were directors of Property Connect Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Francesco Cavasinni  
David Nolan  
Paul Tosi

#### **Principal activities**

The Company is seeking a transaction which will satisfy Chapters 1 and 2 of the Listing Rules and ASX's requirements for reinstatement to the Official List. The Company also continues to look for synergistic opportunities to commercialise the LiveOffer platforms, which it continues to maintain.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Review of operations**

The loss for the Consolidated Entity after providing for income tax amounted to \$665,322 (30 June 2019: \$863,902).

#### *FINANCIAL UPDATE*

Property Connect reported a net loss from operations for the year of (\$665,322), a significant decrease of \$198,580 from the prior corresponding period's loss of \$863,902. The result was driven by a decrease in operational costs, which were kept to a minimum while the Company sought to commercialise its LiveOffer Rental and Property Sales platforms and identify synergistic opportunities.

#### *OPERATIONAL PROGRESS*

Operational costs continued to be kept to a minimum during the period while the Company maintained the LiveOffer platforms and sought to identify synergistic opportunities for commercialisation of the LiveOffer platforms along with alternative transactions which will add shareholder value.

#### *CORPORATE*

On 26 February 2020 JGM Property Investments Pty Ltd, a substantial shareholder of the Company, advanced a loan of \$100,000 to the Company. The loan has a term of two (2) years and is unsecured. Interest is charged at 4% pa compounded annually. The principal and interest is payable at the end of the loan term.

On 2 March 2020 the Company's securities were suspended from quotation on the Official List as the ASX determined that its operations were not sufficient to warrant the continued quotation of its securities. Reinstatement to the Official List is at the discretion of the ASX and will require satisfaction of Chapters 1 and 2 of the Listing Rules.

#### *LEGAL PROCEEDINGS*

Legal proceedings commenced by the former CEO of the Company, Darren Patterson, were settled for \$65,000 under a Deed of Settlement and Release. While the Company was disappointed that the proceedings were commenced it is pleased with the outcome of the settlement.

#### *OUTLOOK*

The Company is operating with minimal overheads and fiscal discipline. The Company continues to seek a transaction which will satisfy Chapters 1 and 2 of the Listing Rules and ASX's requirements for reinstatement to the Official List. However, there is no guarantee that the securities of the Company will be reinstated and if so, when.

#### *GOING CONCERN*

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate, such that it can continue to pay its debts as and when they fall due. The directors have prepared the financial statements on the basis of a going concern based on tighter fiscal control and further reductions in all non-essential operating expenses. The directors are confident in the ability to raise additional capital as required for any transaction to which the ASX applies Listing Rule 11.1.

The directors have made appropriate enquiries and have a reasonable expectation that PCH has adequate resources to continue operations for the foreseeable future.

**Significant changes in the state of affairs**

During 2020 financial year, the Company suspended from trading in ASX.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Likely developments and expected results of operations**

Other than the events set out above, information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this report. The directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

**Environmental regulation**

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

<b>Name:</b>	<b>Francesco Cavasinni</b>
<b>Title:</b>	Non-Executive Chairman
<b>Qualifications:</b>	LL.B, BComm
<b>Experience and expertise:</b>	Mr Cavasinni is an Accountant with over 35 years in Accounting, Financing and Management. Mr Cavasinni founded LCI Partners in 1985, now an established Accounting, Finance and Legal firm with offices in Sydney CBD, Parramatta CBD, Southern Sydney and Singapore and in excess of 90 staff. LCI Partners specialises in Accounting, Tax, Business, Legal, Lending, Financial services and Insurance broking. In addition, LCI Partners provides commercial and industrial estate management services with a portfolio of over 55 large commercial and industrial properties ranging from 300m <sup>2</sup> to 40,000m <sup>2</sup> .
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chairman
<b>Interests in shares:</b>	Nil
<b>Interests in options:</b>	Nil
<b>Interests in rights:</b>	Nil
<b>Name:</b>	<b>David Nolan</b>
<b>Title:</b>	Non-Executive Director and Company Secretary
<b>Qualifications:</b>	LL.B (Hon), BA Bond University
<b>Experience and expertise:</b>	Mr Nolan's career has spanned 23 years as a commercial lawyer and Company director. Mr Nolan has been a partner at a number of leading Sydney law firms advising Australian and international clients on all aspects of corporate law and was previously a senior adviser at the London Stock Exchange. Mr Nolan's legal expertise includes mergers and acquisitions, IPOs and capital raisings, venture capital and private equity, restructurings and takeovers, corporate finance, joint ventures, commercial agreements and regulatory and corporate governance advice.
	Mr Nolan has advised across a diverse range of industries including retail, property, mining & resources, technology, funds management and financial services. Mr Nolan has valuable relationships in the advisory and regulatory community and brings a depth of transactional and corporate governance expertise.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	44,803,346 ordinary shares
<b>Interests in options:</b>	Nil
<b>Interests in rights:</b>	Nil
<b>Name:</b>	<b>Paul Tosi</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	BComm
<b>Experience and expertise:</b>	Mr Tosi is a chartered accountant with over 25 years in finance and accounting and an experienced property executive. Mr Tosi is a National Director with Colliers International, financially responsible for the Real Estate Management division and oversees all aspects of Risk and Control around client trusts. His expertise includes mergers and acquisitions, strategy & planning, contract negotiation and risk management.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	2,500,001 ordinary shares
<b>Interests in options:</b>	Nil
<b>Interests in rights:</b>	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

#### Company secretary

David Nolan - refer to 'Information on Directors' for further details.

#### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Francesco Cavasinni	3	4
David Nolan	4	4
Paul Tosi	4	4

Held: represents the number of meetings held during the time the director held office.

All other matters requiring formal Board approval were dealt with by way of written circular resolutions. In addition, the Directors met on an informal basis at regular intervals during the financial period to discuss the Consolidated Entity's affairs.

#### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

#### Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive remuneration framework is to ensure remuneration for performance is competitive and appropriate for the results delivered. The framework is designed to align executive remuneration with achievement of strategic objectives and the creation of value for shareholders. Given the current financial position and performance of the Consolidated Entity, the Board has prioritised the following key criteria contained in the framework:

- market competitiveness
- acceptability to shareholders
- capital management

The directors have determined that any bonuses payable to key management personnel would be on a discretionary basis. No bonuses were paid during the financial year. At present there is no element of directors and key management personnel remuneration that is performance based.

#### Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Non-executive directors' fees and payments are reviewed annually by the Board to ensure they are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

As set out in the Company's prospectus dated February 2016, the maximum annual aggregate remuneration for the non-executive directors had been set at \$440,000.

#### Details of remuneration

Information about the Consolidated Entity's earnings and movements in shareholder wealth for the past five years up to and including the current financial year are set out in the table below:

	2020	2019	2018 <sup>1</sup>	2017 <sup>1</sup>	2016 <sup>1</sup>
	\$	\$	\$	\$	\$
Revenue	287	345,422	198,177	406	171
Net loss after tax	(665,322)	(863,902)	(1,608,411)	(2,531,556)	(2,232,615)
Basic earnings per share	0.10 cps	0.17 cps	0.43 cps	0.35 cps	2.6 cps
Final dividends (100% franked)	-	-	-	-	-
Special dividends (unfranked)	-	-	-	-	-

<sup>1</sup> Does not include the impact of AASB 15

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.  
The key management personnel of the Consolidated Entity consisted of the following directors of Property Connect Holdings Limited:

- Francesco Cavasinni\*
- David Nolan\*
- Paul Tosi

\* Each director provides director services which are provided by an entity and no superannuation is attributable.

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Termination benefit	Total
	Cash salary and fees	Cash bonus	Other	Superannuation	Long service leave	Equity settled		
	\$	\$	\$	\$	\$	\$		
Non - Executive Directors:								
Francesco Cavasinni*	66,027	-	-	-	-	-	-	66,027
David Nolan*	70,722	-	-	-	-	-	-	70,722
Paul Tosi*	10,500	-	-	-	-	-	-	10,500
	147,249	-	-	-	-	-	-	147,249

2019	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Termination benefit	Total
	Cash salary and fees	Cash bonus	Other	Superannuation	Long service leave	Equity settled		
	\$	\$	\$	\$	\$	\$		
<i>Non - Executive Directors:</i>								
Michael Carter*	61,667	-	-	-	-	-	-	61,667
Francesco Cavasinni	Nil	-	-	-	-	-	-	Nil
David Nolan*	129,183	-	-	-	-	-	-	129,183
Paul Tosi*	9,000	-	-	-	-	-	-	9,000
<i>Executive Directors:</i>								
Darren Patterson*	162,032	-	-	-	-	-	-	162,032
	361,882	-	-	-	-	-	-	361,882

All director remuneration in the current and prior year is fixed and is not performance based or at risk.

#### Share-based compensation

##### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020. No shares issued to directors and other key management personnel during the year ended 30 June 2019.

##### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020. No options over ordinary shares issued to directors and other key management personnel during the year ended 30 June 2019.

#### Additional disclosures relating to key management personnel

##### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personal related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary Shares					
Francesco Cavasinni	-	-	-	-	-
David Nolan	44,803,346	-	-	-	44,803,346
Paul Tosi	2,500,001	-	-	-	2,500,001
	47,303,347	-	-	-	47,303,347

##### Option holding

Nil

Other transactions with key management personnel and their related parties

Director David Nolan has provided services for both his director and Company secretarial services totaling \$70,722 (2019: \$129,183) through a related entity Whiteoaks Capital Pty Ltd with an amount payable at year-end of \$7,333 (2019: \$Nil).

Former director, Darren Patterson is a director of Digital Returns Pty Ltd and Two Up Labs Pty Ltd. Digital Returns Pty Ltd provided Darren Patterson a settlement sum of \$65,000 to resolve legal dispute with an amount payable at year-end of \$Nil (2019: \$Nil). Two Up Labs Pty Ltd provided Platform development services amounting to \$Nil (2019: Nil) with an amount payable at year-end of \$Nil (2019: \$Nil).

Director Francesco Cavasinni has provided services for both his director and Company secretarial services totaling \$66,027 (2019: \$Nil) through a related entity Genesis Foundation Property Trust and LCI Partners Pty Ltd with an amount payable at year-end of \$21,883 (2019: \$Nil).

Paul Tosi has provided services as a director totaling \$10,500 (2019: \$9,000) with an amount payable at year-end of \$Nil (2019: \$Nil).

**This concludes the remuneration report, which has been audited.**

#### Shares under option

Unissued ordinary shares of Property Connect Holdings Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise price	Number under options
26 March 2019	26 March 2022	\$0.0030	16,666,667
			<u>16,666,667</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

#### Shares issued on the exercise of options

There were no ordinary shares of Property Connect Holdings Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

#### Indemnity and insurance of officers

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

#### Proceedings on behalf of the Consolidated Entity

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

#### Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest dollar unless otherwise stated.

#### Non-audit services

There were no non-audit services provided during the financial year by the auditor.

#### Officers of the company who are former partners of Pitcher Partners

There are no officers of the Company who are former partners of Pitcher Partners.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

#### Auditor

Pitcher Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*. On behalf of the directors.



David Nolan  
Non-Executive Director  
30 October 2020



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**Auditor's Independence Declaration  
To the Directors of Property Connect Holdings Limited  
ABN 27 091 320 464**

In relation to the independent audit for the year ended 30 June 2020, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



**J S Gavljak**  
Partner

**Pitcher Partners**  
Sydney

30 October 2020

# Property Connect Holdings Limited

## For the year ended 30 June 2020

The financial statements cover Property Connect Holdings Limited as a Consolidated Entity consisting of Property Connect Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Property Connect Holdings Limited's functional and presentation currency.

Property Connect Holdings Limited is a listed public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:  
Suite 404, 234 George Street  
Sydney, NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2020. The directors have the power to amend and reissue the financial statements.

### **Corporate Governance Statement**

The Company's Corporate Governance Statement can be assessed at <http://www.propertyconnect.com/corporate-governance>

# Consolidated statement of profit or loss and other comprehensive income

## For the year ended 30 June 2020

		Consolidated	
	Note	2020	2019
		\$	\$
<b>Revenue from operations</b>	5	287	345,422
<b>Expenses</b>			
Advertising and marketing expenses		(499)	(40,733)
Audit and accounting fees		(64,556)	(96,538)
Consultant and advisory fees		(101,914)	(172,991)
Depreciation and amortisation	8, 13, 14	(122,993)	(237,680)
Impairment of Assets	8, 14	(97,257)	-
Director fees		(117,395)	(214,000)
Finance expenses		(5,644)	(4,381)
Insurance		(39,037)	(46,930)
IT / computer expenses		(4,222)	(48,464)
Legal fees		(37,715)	(92,281)
Professional fees		(13,800)	(35,611)
Public company costs		(46,695)	(66,219)
Rental and occupancy expenses		(335)	(64,108)
Travel and entertainment		(3,827)	(70,980)
Other expenses from ordinary activities		<u>(9,720)</u>	<u>(18,408)</u>
<b>Loss before income tax expense from operations</b>		<b>(665,322)</b>	<b>(863,902)</b>
Income tax expense	6	-	-
<b>Loss after income tax expense from operations</b>		<b>(665,322)</b>	<b>(863,902)</b>
<b>Loss after income tax expense for the year attributable to the owners of Property Connect Holdings Limited</b>		<b>(665,322)</b>	<b>(863,902)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of Property Connect Holdings Limited</b>		<b>(665,322)</b>	<b>(863,902)</b>

These financial statements should be read in conjunction with the accompanying notes

# Consolidated statement of profit or loss and other comprehensive income

## For the year ended 30 June 2020

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		Consolidated	
	Note	2020	2019
		\$	\$
		Cents	Cents
<b>Loss per share for loss from operations attributable to the owners of Property Connect Holdings Limited</b>			
Basic earnings per share	29	(0.10)	(0.17)
Diluted earnings per share	29	(0.10)	(0.17)

*These financial statements should be read in conjunction with the accompanying notes*

# Consolidated statement of financial position

As At 30 June 2020

		Consolidated	
	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	153,947	503,715
Trade and other receivables	11	24,042	14,746
Prepayments	12	198	335
Total current assets		<u>178,187</u>	<u>518,796</u>
<b>Non-current assets</b>			
Property, Plant and equipment	13	2,641	3,318
Intangibles	14	-	119,288
Right-of-use asset	8	-	-
Total non-current assets		<u>2,641</u>	<u>122,606</u>
<b>Total assets</b>		<u><b>180,828</b></u>	<u><b>641,402</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	104,763	43,752
Lease Liabilities	7	43,737	-
Total current liabilities		<u>148,500</u>	<u>43,752</u>
<b>Non-current liabilities</b>			
Borrowings	9	100,000	-
Total non-current liabilities		<u>100,000</u>	<u>-</u>
<b>Total liabilities</b>		<u><b>248,500</b></u>	<u><b>43,752</b></u>
<b>Net (liabilities)/assets</b>		<u><b>(67,672)</b></u>	<u><b>597,650</b></u>
<b>Equity</b>			
Issued capital	16	24,755,714	24,755,714
Reserves	17	312,902	312,902
Accumulated losses	18	(25,136,288)	(24,470,966)
<b>(Deficiency in)/Total shareholders equity</b>		<u><b>(67,672)</b></u>	<u><b>597,650</b></u>

These financial statements should be read in conjunction with the accompanying notes

# Consolidated statement of changes in equity

## For the year ended 30 June 2020

	Issued capital	Share based payment reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2018	24,189,281	312,402	(23,607,063)	894,620
Loss after income tax expense for the year	-	-	(863,902)	(863,902)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(863,902)	(863,902)

*Transactions with owners in their capacity as owners:*

Contributions of equity, net of transaction costs (note 16)	566,932	-	-	566,932
Share-based payments	(500)	500	-	-
Balance at 30 June 2019	24,755,714	312,902	(24,470,966)	597,650

	Issued capital	Share based payment reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2019	24,755,714	312,902	(24,470,966)	597,650
Loss after income tax expense for the year	-	-	(665,322)	(665,322)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(665,322)	(665,322)

*Transactions with owners in their capacity as owners:*

Contributions of equity, net of transaction costs (note 16)	-	-	-	-
Share-based payments	-	-	-	-
Balance at 30 June 2020	24,755,714	312,902	(25,136,288)	(67,672)

These financial statements should be read in conjunction with the accompanying notes

# Consolidated statement of cash flows

## For the year ended 30 June 2020

		Consolidated	
	Note	2020	2019
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(387,864)	(948,293)
Interest received		287	851
Finance costs		(5,643)	(4,381)
R&D grant incentive received		-	344,571
		<u>-</u>	<u>344,571</u>
Net cash used in operating activities	28	<u>(393,220)</u>	<u>(607,252)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	13	(1,400)	(3,726)
Payments for intangibles		-	(114,600)
		<u>-</u>	<u>(114,600)</u>
Net cash used in investing activities		<u>(1,400)</u>	<u>(118,326)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	585,452
Transaction costs		-	(18,520)
Net proceeds from borrowings	9	100,000	-
Principle portion of lease payments		(55,149)	-
		<u>(55,149)</u>	<u>-</u>
Net cash from financing activities		<u>44,851</u>	<u>566,932</u>
Net increase/(decrease) in cash and cash equivalents		<u>(349,769)</u>	<u>(158,646)</u>
Cash and cash equivalents at the beginning of the financial year		<u>503,715</u>	<u>662,362</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>153,947</u></u>	<u><u>503,715</u></u>

These financial statements should be read in conjunction with the accompanying notes

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Basis for Preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Corporations Act 2001 and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is for-profit entity for the financial reporting purposes under Australian Accounting Standards.

Property Connect Holdings Ltd (the 'Company') is incorporated and domiciled in Australia.

The Company's registered office is Suite 404, 234 George Street, Sydney. These consolidated financial statements comprise the Company (the Parent) and its subsidiary (together referred to as the 'Group').

The consolidated financial statements are presented in Australian dollars which is the Company's functional currency.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent Entity is disclosed in Note 25.

### **Revenue and Other Income**

Interest revenue is recognised using the effective interest method. R&D tax incentive revenue is recognised at the point in time in which the cash is received by the Company.

### **Income tax**

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and deferred tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable the reversal will occur in the foreseeable future.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

### **Financial instruments**

#### *Recognition and Initial Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.



**Financial Liabilities**

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Plant and equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure directly attributable to the acquisition of the item. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment comprises of furniture and fittings, office equipment, computer equipment and leasehold improvements. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

Asset Class	Useful life
Computer equipment	2 – 3 years

Estimate of remaining useful lives, residual values and depreciation methods require significant management judgement, are reviewed annually, and where changes are made, their effects are accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Provision for impairment is based on expected credit losses. For more information on expected credit losses, refer to Note 19.

**Intangible assets***Development of Property Connect Platform Website*

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses.

*Software and website development*

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Though amortisation charge is included within the depreciation and amortisation expense in the statement of comprehensive income. Patents, trademarks, software and website development costs are amortised on a straight-line basis over 2 years.

*Research and development*

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis on the future economic benefits over the useful life of the project.

**Impairment of non-financial assets**

Intangible assets have an indefinite useful life and are not subject to amortisation. They are tested annually for impairment and if required more frequently, depending on the circumstances. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

Trade and other payables represent the liabilities for goods and services by the entity that remain unpaid at the end of the reporting period. The balance is recognised as current liability with the amounts normally paid within 30 days of recognition of the liability.

**Employee benefits***Short-term employee benefits*

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at (undiscounted) amounts expected to be paid when the obligations are settled.

#### *Other long-term employee benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

#### **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration. Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

#### **Share-based payments**

Share-based compensation benefits are provided to suppliers and employees in exchange for services performed. Information relating to share-based payments can be found at note 30.

#### **Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from bargain purchase.

#### **Earnings per share**

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of Property Connect Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **Goods and Services Tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authority from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### **Rounding of amounts**

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by ASIC relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

#### **Historical cost convention**

This financial report has been prepared under the historical cost convention, as modified where applicable by the revaluation of financial assets and liabilities at fair value through profit or loss.

#### **New or Amended Accounting Standards and Interpretations adopted**

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 Leases (AASB 16).

##### *AASB 16: Leases*

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis under the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
  - i. investment property, the lessee applies the fair value model in AASB 140 *Investment property* to the right-of-use asset; or
  - ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognized in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

In accordance with the transition requirements of AASB 16, the Group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognized as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The Group has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognize each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application;

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of \$98,886 (referred to in these financial statements as “lease assets”) and corresponding lease liabilities with an aggregate carrying amount of \$98,886. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 3.50%.

The following is a reconciliation of non-cancellable operating lease commitments disclosed at the end of the prior reporting period (i.e., 30 June 2019) to the aggregate carrying amount of lease liabilities recognized at the date of the initial application (i.e., 1 July 2019):

	\$
Aggregate non-cancellable operating lease commitments at 30 June 2019	101,815
Less: impact of discounting lease payments to their present value at 1 July 2019	(2,929)
Carrying amount of lease liabilities recognised at 1 July 2019	98,886

#### *AASB Interpretation 23 Uncertainty over income Tax Treatment:*

This interpretation became mandatorily effective for periods beginning on or after 1 January 2019 and was adopted by the Group on 1 July 2019.

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes* and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

Specifically, the Interpretation addresses the followings:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The adoption of this Interpretation has not had a material impact on the Group's financial position or performance.

#### **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

##### *Share-based payment transactions*

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

##### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

##### *Lease terms and impairment*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is a reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates incurrence

of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

The Group tests property, plant and equipment and intangible assets for impairment to ensure they are not carried at above their recoverable amounts:

- Where there is an indication that the assets may be impaired (which is assessed at least each reporting date).

The tests for impairment are performed by assessing the recoverable amount of each individual asset or, if this is not possible, then the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest level at which assets are grouped and generated separately identifiable cash flows. The recoverable amount is the higher of an asset or a CGU's fair value less costs of disposal and value in use. The value in use calculations are based on discounted cash flows expected to arise from the asset. Management judgement is required in these valuations to forecast future cash flows and a suitable discount rate in order to calculate the present value of these future cash flows.

### Note 3. Going concern

The Consolidated Entity incurred a loss from continued operations of \$665,322 (2019: \$863,902) and had net cash outflow from operations of \$393,220 with a negative asset position of (\$67,672) for the year end 30 June 2020. The closing cash balance was \$153,947 as at 30 June 2020 and subsequent to balance date, has continued to generate a loss. These conditions indicate a continued material uncertainty that may cast significant doubt over the Consolidated Entity's ability to continue as a going concern and therefore, whether it will realise its assets or liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

The directors have reviewed the business outlook and cash flow forecasts and note the business is dependent on:

- The successful receipt of the tax R&D claim of \$119,500
- The ongoing careful management of capital and expenses
- The ongoing support of its creditors
- Raising additional capital from existing shareholders or other sources

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unsuccessful with the initiatives detailed above then, the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

### Note 4. Operating segments

Property Connect Holdings Ltd has one Operating segment and the information presented is on the same basis as the internal reports provided to the Board. The Board is responsible for the allocation of resources to the operating segment and to assess its performance. The location of operation will be at Suite 404, 234 George Street, Sydney NSW 2000.

### Note 5. Revenue

	Consolidated	
	2020	2019
From operations	\$	\$
Interest	287	851
R&D tax incentives	-	344,571
Revenue from operations	<u>287</u>	<u>345,422</u>

### Note 6. Income tax expense

The difference between the prima facie tax on loss of the Group and the income tax expense reported in the statement of profit or loss and other comprehensive income is deferred tax balances not recognised as recognition criteria were not met.

	Consolidated	
	2020	2019
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss from operations	<u>(665,322)</u>	<u>(863,902)</u>
Tax at the statutory tax rate of 27.5% (2019: 27.5%)	<u>(182,964)</u>	<u>(237,573)</u>
Current year tax losses not recognised	<u>182,964</u>	<u>237,573</u>
Income tax expense	<u>-</u>	<u>-</u>

	Consolidated	
	2020	2019
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	4,897,580	4,232,258
Potential tax benefit @27.5% (30 June 2019: 27.5%)	1,346,835	1,163,871

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. Deferred tax has not been recognised as the recognition criteria have not been met.

#### Note 7. Lease liability

At 30 June 2020, the Group has shown the lease obligations as lease liabilities as follows:

	Consolidated	
	2020	2019
	\$	\$
Carrying amount of lease liabilities recognised on adoption at 1 July 2019	98,886	-
Repayments made	(57,566)	-
Interest charged	2,417	-
Current lease liability	43,737	-

#### Note 8. Right-of-use asset

	Consolidated	
	2020	2019
	\$	\$
Right-of-use asset	98,886	-
Less: accumulated depreciation	(53,938)	-
Less: impairment loss	(44,948)	-
Carrying value – right-of-use asset	-	-

The Group has a lease liability in ordinary course of its business. The right-of-use asset is the office lease. The non-cancellable period of the lease is two years with variable option to extend the lease term for a period of three (3) years. It is not clear whether the Group intends to exercise the option.

#### Note 9. Borrowings

On 26 February 2020 JGM Property Investments Pty Ltd, a substantial shareholder of the Company, advanced a loan of \$100,000 to the Company. The loan has a term of two (2) years and is unsecured. Interest is charged at 4% pa compounded annually. The principal and interest is payable at the end of the loan term.

#### Note 10. Cash and cash equivalents

	Consolidated	
	2020	2019
	\$	\$
Cash on hand	153,947	503,715

#### Note 11. Trade and other receivables

	Consolidated	
	2020	2019
	\$	\$
Other receivables	24,042	14,746

#### Note 12. Other assets

	Consolidated	
	2020	2019
	\$	\$
Prepayments	198	335

**Note 13. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Computer equipment - at cost	5,126	3,726
Less: Accumulated depreciation	(2,485)	(408)
Computer equipment – at cost	<u>2,641</u>	<u>3,318</u>

**Note 14. Intangibles**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Development of Property Connect Platform – at cost	513,100	513,100
Less: impairment charge	(52,308)	-
Less: Accumulated amortisation	<u>(460,792)</u>	<u>(393,812)</u>
	<u>-</u>	<u>119,288</u>

During the period the directors of the Consolidated Entity have assessed the value of the Property Connect Platform. After review of the possible income to be generated from the platform, it was decided that the value was \$nil and adjustment was required to the carrying amount. The directors do not believe that the platform will serve to produce revenue in the future.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Development of PCH Platform</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2018	241,959	241,959
Additions	114,600	114,600
Impairment of assets	-	-
Amortisation expense	<u>(237,271)</u>	<u>(237,271)</u>
Balance at 30 June 2019	119,288	119,288
Additions	-	-
Impairment of assets	(52,308)	(52,308)
Amortisation expense	<u>(66,980)</u>	<u>(66,980)</u>
Balance at 30 June 2020	<u>-</u>	<u>-</u>

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss.

*Impairment disclosures*

The total impairment loss recognised in the statement of profit or loss during the prior period amounted to \$52,308 (2019: Nil).

**Note 15. Trade and other payables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	74,763	7,085
Other payables	<u>30,000</u>	<u>36,667</u>
	<u>104,763</u>	<u>43,752</u>

Refer to Note 19 for further information on financial instruments.

Due to the short term nature of these payables, their carrying amounts are reasonable approximations of their fair values

**Note 16. Equity - issued capital**

	Consolidated			
	2020	2019	2020	2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>685,863,475</u>	<u>685,863,475</u>	<u>24,755,714</u>	<u>24,755,714</u>

*Shares under option*

Unissued ordinary shares of Property Connect Holdings Limited under option at the date of this report are as follows:

Grant Date	Expiry date	Exercise Price	Number Under option
26/03/2019	26/02/2022	\$0.003	<u>16,666,667</u>
			<u>16,666,667</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate. Refer to Note 30 for movements in options outstanding during the year.

*Movements in ordinary share capital*

There was no movement to ordinary share capital during the period.

Ordinary shareholders 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.

**Note 17. Equity - reserves**

	Consolidated	
	2020	2019
	\$	\$
Share-based payments reserve	<u>312,902</u>	<u>312,902</u>
	<u>312,902</u>	<u>312,902</u>

*Nature and purpose of reserves*

## (i) Share-based payments reserve

The share-based payments reserve is used to recognise their fair value of share based payments, be that shares and/or options made to directors and/or consultants. Reserve items are transferred to issued equity upon the issue of ordinary shares in relation to the share based payment.

	Share based payment reserve	Share based payment reserve
Consolidated	2020	2019
	\$	\$
Balance at beginning of the financial year	312,902	312,402
Release of reserves	-	-
Share based payment	<u>-</u>	<u>500</u>
Balance at the end of the financial year	<u>312,902</u>	<u>312,902</u>

**Note 18. Equity - accumulated losses**

	Consolidated	
	2020	2019
	\$	\$
Accumulated losses at the beginning of the financial year	(24,470,966)	(23,607,064)
Loss after income tax expense for the year	<u>(665,322)</u>	<u>(863,902)</u>
Accumulated losses at the end of the financial year	<u>(25,136,288)</u>	<u>(24,470,966)</u>

**Note 19. Financial instruments**

The Company and the Group have exposure to the following risks, from their use of financial instruments: credit risk, liquidity risk, currency risk and fair values.

This note presents information about the Company and Group's exposure to each of the above risks, their objectives, policies and processes

for measuring and managing the risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk of management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group's financial instruments consists mainly of deposits with banks and accounts payable. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2020	2019
	\$	\$
<b>Financial Assets – at amortised cost</b>		
Cash and cash equivalents	153,947	503,715
Trade and other receivables	24,042	14,746
Total Financial Assets	177,989	518,461
<b>Financial Liabilities – at amortised cost</b>		
Trade and other payables	104,763	43,752
Lease liabilities	43,737	-
Borrowings	100,000	-
Total Financial Liabilities	248,500	43,752

### Currency risk

#### Foreign currency risk

The Consolidated Entity undertakes transactions in foreign currencies. The Group manages foreign exchange exposure by constantly monitoring and analysing exchange rates and currency utilised within its operations. This is not material and will be less material given the strategy to focus on the Australian market.

#### Interest rate risk

The Group manages interest rate risk by constantly monitoring and analysing its interest rate sensitive assets and liabilities.

Sensitivity to interest rates movements are currently not material to the Group given the current low interest environment and the Company's low cash levels.

### Credit risk

Financial assets which potentially subject the Group to credit risk consist principally of cash, short-term deposits and trade debtors. The Group's deposits and cash are placed with major financial institutions with sound credit ratings. Trade debtors are presented net of the allowance for expected credit losses.

Credit risk with respect to trade debtors is limited due to the large number of customers comprising the Group's customer base are government organisations or their diverse dispersion across different industries and geographical areas. Accordingly, the Group has no significant concentration of credit risk. The Group manages credit risks by monitoring credit ratings and limiting the aggregate risk to any individual counterparty.

The recoverability of trade debtors as 30 June 2020 has been assessed to consider the impact of the COVID-19 pandemic and no material recoverability issues have been identified.

The below table summarised the Group's exposure to credit risk at the end of the reporting period:

	Consolidated	
	2020	2019
	\$	\$
Cash and cash equivalents <sup>1</sup>	153,947	503,715
Trade and other receivables <sup>2</sup>	24,042	14,746
Total	177,989	518,461

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The cash is continually monitored matching forecast cash flows with the maturity profile of financial assets and liabilities.

The following table details the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

<sup>1</sup> The Group held cash and cash equivalents with banks and financial institution counterparties which are related A+ to F1, based on Fitch ratings.

<sup>2</sup> The Group did not consider a credit risk on the aggregate balance of Trade and other receivables as it mainly relates to GST receivables and security deposit which are deemed to be low risk due to nature of these balances.



Consolidated - 2019	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 Years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	43,752	-	-	-	43,752
Total non-derivatives		43,752	-	-	-	73,752

Consolidated – 2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 Years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	104,763	-	-	-	104,763
Lease liability	-	44,249	-	-	-	44,249
Borrowings	-	-	100,000	-	-	100,000
Total non-derivatives	-	149,012	100,000	-	-	249,012

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### Fair value of financial instruments

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

The carrying amounts of financial instruments reflect their fair value.

#### Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. There were no changes in the Group's approach to capital management during the year. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

#### Note 20. Key management personnel disclosures

##### Directors

The following persons were directors of Property Connect Holdings Limited during the financial year:

Francesco Cavasinni  
David Nolan  
Paul Tosi

##### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	147,249	361,882
Post-employment benefits	-	-
Termination benefits	-	-
	<u>147,249</u>	<u>361,882</u>

More information regarding KMP remuneration can be found in the Remuneration Report

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the Company:

	Consolidated	
	2020	2019
	\$	\$
<i>Audit Services - Pitcher Partners</i>		
Audit or review of the financial statements	45,196	45,000

**Note 22. Contingent liabilities**

There were no claims during the 2020 financial year.

Legal proceedings commenced by the former CEO of the Company, Daren Paterson, were settled for \$65,000 under a Deed of Settlement and Release. This was a 2019 claim that was settled in 2020. While the Company was disappointed that the proceedings were commenced it is pleased with the outcome of the settlement. This was a claim made during the 2019 financial year and settled in the 2020 financial year.

**Note 23. Commitments**

	Consolidated	
	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Within twelve months	-	57,605
Between twelve months and within five years	-	47,854
More than five years	-	-
	-	105,459

**Note 24. Related party transactions***Parent entity*

Property Connect Holdings Limited is the Parent Entity.

*Subsidiaries*

Interests in subsidiaries are set out in Note 26.

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 20 and the remuneration report included in the directors' report.

*Transactions with related parties*

David Nolan has provided services for both his director and Company secretarial services totaling \$70,722 (2019: \$129,183) through a related entity Whiteoaks Capital Pty Ltd with an amount payable at year-end of \$7,333 (2019: \$Nil).

Former director, Darren Patterson is a director of Digital Returns Pty Ltd and Two Up Labs Pty Ltd. Digital Returns Pty Ltd provided Darren Patterson a settlement sum of \$65,000 to resolve legal dispute with an amount payable at year-end of \$Nil (2019: \$Nil). Two Up Labs Pty Ltd provided Platform development services amounting to \$Nil (2019: Nil) with an amount payable at year-end of \$Nil (2019: \$Nil).

Director Francesco Cavasinni has provided services for both his director and Company secretarial services totaling \$66,027 (2019: \$Nil) through a related entity Genesis Foundation Property Trust and LCI Partners Pty Ltd with an amount payable at year-end of \$21,883 (2019: \$Nil).

Paul Tosi has provided services as director totaling \$10,500 (2019: \$9,000) with an amount payable at year-end of \$Nil (2019: \$Nil).

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 25. Parent entity information**

Set out below is the supplementary information about the Parent Entity.

	Parent	
	2020	2019
	\$	\$
<i>Statement of profit or loss and other comprehensive income</i>		
Loss after income tax	(665,322)	(863,602)
Total comprehensive loss	(665,322)	(863,602)

<i>Statement of financial position</i>	Parent	
	2020 \$	2019 \$
Total current assets	178,187	518,796
Total assets	180,828	641,402
Total current liabilities	148,500	43,752
Total liabilities	248,500	43,752
Equity		
Issued capital	24,755,714	24,755,714
Reserves	312,902	312,902
Accumulated losses	(25,136,288)	(24,470,966)
Total equity	(67,672)	597,650

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

*Capital commitments - Property, plant and equipment*

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

*Significant accounting policies*

The accounting policies of the Parent Entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity.
- Dividends received from subsidiaries are recognised as other income by the Parent Entity and its receipt may be an indicator of an impairment of the investment.

**Note 26. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	2020	2019
		%	%
Property Connect Operations Pty Ltd	Australia	100%	100%

**Note 27. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Note 28. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated	
	2020 \$	2019 \$
Loss after income tax expense for the year	(665,322)	(863,902)
Adjustments for:		
Depreciation and amortisation	167,942	237,680
Impairment of intangibles	52,308	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(9,159)	15,115
Decrease in trade and other payables	61,011	3,855
Net cash used in operating activities	(393,220)	(607,252)

**Note 29. Earnings per share***Earnings per share*

Loss after income tax attributable to the owners of Property Connect Holdings Limited	(665,322)	(863,902)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	685,863,475	499,763,454
Weighted average number of ordinary shares used in calculating diluted earnings per share	685,863,475	499,763,454
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.10)	(0.17)
Diluted earnings per share	(0.10)	(0.17)

**Note 30. Share-based payments**

Set out below are summaries of options movements:

**2020**

Grant Date	Expiry Date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/03/2019	26/03/2022	0.003	16,666,667	-	-	-	16,666,667
24/10/2016	10/03/2020	0.060	11,666,667	-	-	(11,666,667)	-
28/02/2018	28/02/2020	0.075	6,000,000	-	-	(6,000,000)	-
Total			34,333,334	-	-	\$17,666,667	\$16,666,667
Weighted average exercise price			\$0.046	\$0.000	\$0.000	\$0.000	\$0.003

**2019**

Grant Date	Expiry Date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/03/2019	26/03/2022	0.003	-	16,666,667	-	-	16,666,667
24/10/2016	10/03/2020	0.060	35,000,000	-	-	(23,333,333)	11,666,667
28/02/2018	28/02/2020	0.075	18,000,000	-	-	(12,000,000)	6,000,000
			53,000,000	16,666,667	-	(35,333,333)	34,333,334
Weighted average exercise price			\$0.020	\$0.003	\$0.000	\$0.000	\$0.046

## Directors' declaration

### Property Connect Holdings Limited For the year ended 30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'David Nolan'.

David Nolan  
Non-Executive Director  
30 October 2020

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**Independent Auditor's Report  
To the Members of Property Connect Holdings Limited  
ABN 27 091 320 464**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Property Connect Holdings Limited ("the Company") and the entities it controlled ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Property Connect Holdings Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 3 of the financial report, which indicates that the Group incurred a loss after income tax of \$665,322 and had cash outflows from operating activities of \$393,220 for the year ended 30 June 2020. As stated in Note 3, these events or conditions, along with the other matters set forth, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

We have determined that other than the material uncertainty related to going concern there are no key audit matters to communicate in our report.

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

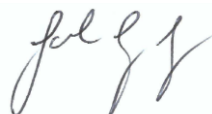
## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 6 to 8 of the Directors' Report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Property Connect Holdings Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**J S GAVLJAK**  
Partner



**Pitcher Partners**  
Sydney

30 October 2020



## Shareholder information

### Property Connect Holdings Limited For the year ended 30 June 2020

The shareholder information set out below was applicable as at 27<sup>th</sup> October 2020.

#### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of unlisted options exercisable at \$0.02 expiring on 10/03/2020	Number of holders of unlisted options exercisable at \$0.025 expiring on 28/02/2020	Number of holders of unlisted options exercisable at \$0.025 exercisable 12 months after issue and satisfaction of milestone, expiring on 28/02/2020
1 to 1,000	1,092	-	-	-
1,001 to 5,000	67	-	-	-
5,001 to 10,000	18	-	-	-
10,001 to 100,000	198	-	-	-
100,001 and Over	324	-	-	-
	<hr/> 1,699 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>
Holding less than a marketable parcel	<hr/> 1,159 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>

# Shareholder information

## Property Connect Holdings Limited For the year ended 30 June 2020

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number Held	% of total share issued
JGM PROPERTY INVESTMENTS PTY LTD	52,145,181	7.60
MR DAVID NOLAN	44,803,346	6.53
MR SUFIAN AHMAD	37,870,000	5.52
RIMOYNE PTY LTD	37,350,001	5.45
JLM CORPORATION PTY LTD	34,000,000	4.96
MARKOVIC FAMILY NO 2 PTY LTD	32,000,001	4.67
MR BILAL AHMAD	22,500,000	3.28
NANDIL PTY LTD	22,244,972	3.24
HIX CORP PTY LTD <HIX CORP A/C>	17,941,032	2.62
JGM PROPERTY INVESTMENTS PTY LTD	17,425,961	2.54
ONE TREE HILL SMSF PTY LTD <ONE TREE HILL SMSF A/C>	14,845,812	2.16
DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C>	14,644,445	2.14
GREGORY DENISE PTY LTD <GREGORY DENISE SUPER A/C>	10,458,458	1.52
BAB SUPER FUND PTY LTD <BAB SUPER FUND A/C>	10,000,001	1.46
MR JAMES VINCENT CHESTER GUEST & MRS SARAH LOUISE GUEST & MR MATTHEW HARRY CHESTER GUEST <GUEST FAMILY SUPER FUND A/C>	10,000,000	1.46
MR DEAN BRETT BLANKFIELD	9,134,735	1.33
MAESTRO CAPITAL PTY LTD <MAESTRO CAPITAL SUPER A/C>	8,000,000	1.17
MS AUTUMN BLOOM	8,000,000	1.17
AEQUUS CAPITAL PTY LTD <STERLING SUPER A/C>	7,114,955	1.04
DIAB FUTURE PTY LTD <DIAB FAMILY A/C>	6,666,667	0.97
NEBULA WEALTH MANAGEMENT PTY LTD <TAURUS SUPER A/C>	6,420,034	0.94
	423,565,601	61.76

#### Unquoted equity securities

	Number on issue	Number of holders
UNLISTED OPTIONS EXPIRING 26/03/2020 @ \$0.03	16,666,667	1

The Following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
JGM PROPERTY INVESTMENTS PTY LTD	UNLISTED OPTIONS EXPIRING 26/03/2022 @ \$0.030	16,666,667

#### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
John Markovic	101,571,143	14.81
David Nolan	44,803,346	6.53
Sufian Ahmad	37,870,000	5.52

#### Voting rights

The voting rights attached to ordinary shares are set out below:

#### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.