

16 February 2022

ASX Announcement

Revised Appendix 4C for the quarter ended 30 September 2021

Property Connect Holdings Limited (ASX:PCH) (“Property Connect” or the “Company”) releases its revised Appendix 4C quarterly report of cash flows for the quarter ended 30 September 2021 with the Australian Securities Exchange (“ASX”).

This revision is due to the previous announcement not correctly reflecting the financing facilities total facility amount at quarter end.

Business activities for the quarter

There were no substantial business activities during the period. Operational costs continued to be kept to a minimum during the period while the Company continued to seek a transaction which will satisfy Chapters 1 and 2 of the Listing Rules and the ASX’s requirement for reinstatement to the Official List. Whilst the Company continues to seek a transaction which will satisfy these requirements, there is no guarantee that the securities of the Company will be reinstated and if so, when.

- Cash balance of \$58k
- Net operating cash flow of (\$31k)

Financing facilities

On 27 February 2020, the Company entered into a Loan Agreement with major shareholder, J G M Property Investments Pty Ltd (“JGM”), which had not been disclosed in the Appendix 4C for the quarter ended March 2020. Under the Loan Agreement, JGM advanced \$100k to the Company as an unsecured loan at a rate of 4% p.a. for the Company’s general working capital requirements.

On 30 June 2021, the Company entered into a Loan Agreement with Principal Finance Pty Ltd (“Principal Finance”) which had not been disclosed in the Appendix 4C for the quarter ended June 2021. Under the Loan Agreement, Principal Finance advanced \$26k to LCI Insurance Services Pty Ltd as an unsecured loan at a rate of 8.69% p.a. for the Company’s insurance premium.

The Company entered into two Loan Agreements during the quarter:

- On 16 July 2021, with JGM. Under the Loan Agreement, JGM advanced \$25k to the Company as an unsecured interest-free loan for the Company’s general working capital requirements

- On 20 July 2021, with major shareholder, Sixty Two Capital Pty Ltd (“Sixty Two”). Under the Loan Agreement, Sixty Two advanced \$25k to the Company as an unsecured interest-free loan for the Company’s general working capital requirements.

This announcement has been authorised for release by the Board.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PROPERTY CONNECT HOLDINGS LIMITED

ABN

22 091 320 464

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(30)	(30)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(31)	(31)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	50	50
3.6 Repayment of borrowings	(11)	(11)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	39	39

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	50	50
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(31)	(31)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	39	39
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	58	58

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	58	58
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	58	58

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)	172	172
7.4 Total financing facilities	172	172
7.5 Unused financing facilities available at quarter end		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<ul style="list-style-type: none"> • JGM Property Investments Pty Ltd: \$100k unsecured working capital facility with an interest rate of 4% p.a. expiring on 27 February 2022 + \$5k of interest accrued • Principal Finance Pty Ltd: \$26k unsecured insurance facility with an interest rate of 8.69% p.a. expiring on 30 April 2022. \$9k paid. Balance remaining is \$17k • JGM Property Investments Pty Ltd: \$25k interest-free unsecured working capital facility expiring on 16 July 2023 • Sixty Two Capital Pty Ltd: \$25k interest-free unsecured working capital facility expiring on 20 July 2023 • JGM Property Investments Pty Ltd: \$25k interest-free unsecured working capital facility expiring on 23 December 2023 • Sixty Two Capital Pty Ltd: \$25k interest-free unsecured working capital facility expiring on 13 January 2024 	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(31)
8.2 Cash and cash equivalents at quarter end (item 4.6)	58
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	58
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.87
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: Operating cash flow for the September quarter includes the annual ASX Listing Fee of \$25,000 license for 2022 year, therefore expected operating cash flow requirement for the next two quarters is \$65,000.</p>	

8.6.2 Has the entity 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?

Answer: The Shareholders advanced \$50,000 by way of a loan 23rd December 2021 and a further \$25,000 13th January 2022 to assist with ongoing support for the business's operations. Further refunds from GST are also expected. Shareholders will provide further support if required.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The business is confident it will continue to meet its objectives as optimistic business opportunities are in the pipeline.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 16 February 2022

Authorised by:
Gerardo Incollingo – Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.