Property Connect
Holdings Limited

Annual Report 2017

COMPANY'S STATEMENT

Dear Shareholders,

In October 2016, Property Connect Holdings Limited ("PCH" or the "Company") completed a capital raise of $2.0 million pursuant to a convertible note agreement that was subsequently approved by shareholders at a general meeting on 15 December 2016. The convertible notes converted into 333,333,333 shares at $0.006 per share on 6 January 2017.

PCH undertook an additional capital raising for general working capital purposes via a private placement in April 2017, raising $1.55 million and issuing 140,909,198 shares at $0.011 per share.

Product Development

PCH was developing technology for use within the US real estate market, with a focus on the massive US "multi-family" apartment market as well as the Australian market for single agency operations. In June 2017, the company decided to discontinue operations in the US for the short term, due to limited traction, and instead to focus on completing the product for the Australian market in an effort to align revenues and costs.

The Company has been in trials with Century 21 for the month leading to 30 June 2017, with several live offers waiting to transact in Victoria and Western Australia. The company continues to iterate and enhance the platform in Australia.

US Subsidiary – Property Connect Inc.

On 30 August 2017 Property Connect issued a letter of demand in respect to the FY2017 advances to its wholly owned US subsidiary Property Connect Inc. ("PCI"), totaling $842,050 ("Loans"). It was anticipated at the time that the directors of PCI would dispute the Loans. Property Connect made offers to acquire certain intellectual property of PCI on arm's length terms, which were rejected by PCI.

The directors of PCI, Mr Tim Manson and Mr Sam Lee, have now both resigned from PCI. Property Connect continues to take advice from its its US counsel as to the most efficient process to recover the Loans and intellectual property, which it has now started. The Company has confirmed the legal advice of its US counsel that it is not liable for the obligations of PCI.

Business Development.

The company believes it is now well placed to enter into an IP licensing agreement with Century 21 and/or other leading real estate companies in the Australian market in the coming months and generate revenue within the next 6-12 months. The Company will also investigate further opportunities to develop other real estate technology products in the Australian market, either principally or in conjunction with other parties. Depending upon the success of the Company's technology within the Australian market, it may also investigate entering other markets, subject to funding and other relevant circumstances at the time.

The Company anticipates that additional funding with be required within the next 6 months to continue the implementation of PCH's strategy, including further refinement of the

The Company’s Corporate Governance Statement for the financial year 30th June 2017 has been approved by the Board of the Company, is effective at 30th September 2017 and can be accessed at http://www.propertyconnect.com/corporate-governance

David Nolan

Non-Executive
Director

PROPERTY CONNECT HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN: 27091320464

Financial Report For The Year Ended 30 June 2017

PROPERTY CONNECT HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 27091320464

Financial Report For The Year Ended 30 June 2017

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DIRECTORS' REPORT

The Directors present their report, together with the financial report of the Group for the financial year ended 30 June 2017, and Auditors Report thereon.

OPERATING AND FINANCIAL REVIEW

CORPORATE

In October 2016, Property Connect Holdings Limited ("PCH" or the "Company") completed a capital raise of $2.0 million pursuant to a convertible note agreement that was subsequently approved by shareholders at a general meeting on 15 December 2016. The convertible notes converted into 333,333,333 shares at $0.006 per share on 6 January 2017.

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PRODUCT DEVELOPMENT

PCH was developing technology for use within the US real estate market, with a focus on the massive US "multi-family" apartment market as well as the Australian market for single agency operations. In June 2017, the company decided to discontinue operations in the US for the short term, due to limited traction, and instead to focus on completing the product for the Australian market in an effort to align revenues and costs.

The Company has been in trials with Century 21 for the past month, with several live offers waiting to transact in Victoria and Western Australia. The Company hopes to shortly announce additional trial partners in Australia.

The company continues to iterate and enhance the platform in Australia, and is anticipating that within the next 1-2 months, the platform will be complete for a full scale Australian market launch.

BUSINESS DEVELOPMENT

The company believes it is now well placed to enter into an IP licencing agreement with Century 21 and/or other leading real estate companies in the Australian market in the coming months and generate revenue within the next 6-12 months. The Company will also investigate further opportunities to develop other real estate technology products in the Australian market, either principally or in conjunction with other parties. Depending upon the success of the Company's technology within the Australian market, it may also investigate entering other markets, subject to funding and other relevant circumstances at the time.

The Company anticipates that additional funding with be required within the next 6 months to continue the implementation of PCH's strategy, including further refinement of the technology and trials.

Directors

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:

Darren Patterson	Appointed on 9 November 2016
David Nolan	Appointed 10 March 2017
Charles Tarbey	Appointed 27 March 2017
Michael Langoulant	Resigned 31 August 2017
Peter Friend	Resigned on 28 October 2016
Sam Lee	Resigned on 10 March 2017

In October 2016, Property Connect Holdings Limited ("PCH" or the "Company") completed a capital raise of $2.0 million pursuant to a convertible note agreement that was subsequently approved by shareholders at a general meeting on 15 December 2016 with the convertible notes converted into 333,333,333 shares at $0.006 per share on 6 January 2017.

PCH undertook an additional capital raising for general working capital purposes via a private placement in April 2017, raising $1.55 million and issuing 140,909,198 shares at $0.011 per share.

This financial report has been prepared in accordance with Australian Accounting Standards.

Information on Directors

Name:	Charles Tarbey
Title:	Non-Executive Chairman
Qualifications:	Licensed Real Estate Agent
Experience and Expertise:	Mr Tarbey was appointed a director on 27 March 2017. Mr Tarbey's professional career has included executive and director roles at Wentworth Holdings a public Company operating in the Property Management Sector.

	Mr Tarbey is currently the owner and Chairman of Century 21 Australasia and has been involved in the property industry for 45 years.
Other Current Directorships:	None
Former Directorships (3 years):	None
Special Responsibilities:	Chairman
Interest in Shares and options:	Nil

Name:	Timothy Manson
Title:	Non-Executive Director
Qualifications:	B.Bus Admin
Experience and Expertise:	Mr Manson was appointed a director on 15 March 2016. He is the founder of Property Connect. Prior to this he was Managing Director of The Manson Group for 8 years, a Sydney based Real Estate Development Company. His early career in real estate was based on projects including land and house developments, large commercial refurbishments, and retail construction of a major equipment hire company and the development of several industrial business parks. In 2004 he co-founded The Manson Group as a new vehicle to develop properties and was appointed Managing Director. The initial projects included a commercial property in Melbourne, developing 750 self-storage units and 45 high-end terrace houses in Sydney. As MD he started 2 new divisions in 2006, Sales, Leasing & Property Management to internally run the group's increasing portfolio of properties consisting of industrial factories, commercial buildings and residential apartments and houses, and also a Design and Construction division-servicing medium to large commercial clients. Throughout 2010-2012 the Manson Group grew to become an organization now undertaking a multi-faceted approach in a diverse range of areas surrounding real estate, successfully planning, designing and building numerous projects in conjunction with managing a wide-ranging asset portfolio.
Other Current Directorships:	Nil
Former Directorships (3 years):	None
Special Responsibilities:	None
Interest in Shares and options:	63,720,120 ordinary shares, 1 ESOP Option, 8,000,000 unlisted options (lapsed) and Maximum earn out shares – 42,480,163

Name:	David Nolan
Title:	Non-Executive Director and Company Secretary
Qualifications:	LL.B (Hon), BA Bond University
Experience and Expertise:	Mr Nolan was appointed to the Board on 10 March 2017. Mr Nolan's career has spanned 21 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.
Other Current Directorships:	Intra Energy Group Ltd
Former Directorships (3 years):	FirstWave Cloud Technology Limited, Winmar Resources Limited
Special Responsibilities:	Nil
Interest in Shares and options	37,137,907 ordinary shares

Name:	Darren Patterson
Title:	Executive Director
Qualifications:	B.Sc (Comp Sc), MBA Chicago Booth, AICD

Experience and Expertise:	Mr Patterson was appointed a director on 9 November 2016. Mr Patterson has more than 20 years' experience working with both start-up and blue-chip technology companies spanning Australia, Europe, the US and Asia. He has extensive experience in the fields of networking, systems integration, IT and telecommunications. Mr Patterson's international career has seen him hold senior leadership roles within Yahoo!, ECI Telecom, Energis Communications / Cable and Wireless PLC and Cisco Systems. Mr Patterson has been closely involved with a number of start-up companies (either as founder or investor) that have been successfully acquired by larger organisations such as GoPro and Twitter. Mr Patterson is also the General Partner of a Venture Capital firm – Alchemy Ventures.
Other Current Directorships:	NetLinkz Limited
Former Directorships (3 years):	Blaze International
Special Responsibilities:	Overseeing operations and technology
Interest in Shares and options:	10,000,000 ordinary shares and 4,000,000 unlisted options (lapsed)

Name:	Michael Langoulant
Title:	Non-Executive Director – resigned 31 August 2017
Qualifications:	CA, B.Com
Experience and Expertise:	Mr Langoulant was appointed a director on 22 June 2016. He has been involved with Boards of public companies for over 25 years. He has extensive experience in public company administration, capital raisings, new listings, mergers and acquisitions, as well as cross border transactions.
Other Current Directorships:	White Cliff Minerals Limited
Former Directorships (3 years):	Nyota Minerals Limited and Luiri Gold Limited
Special Responsibilities:	Company Secretary
Interest in Shares and options:	800,000 ordinary shares

Peter Friend, Samuel Lee and Mike Langoulant were all directors of the Company from the beginning of the financial year until their resignations on 28 October 2016, 10 March 2017 and 31 August 2017 respectively.

Principal Activities

The Group is developing products for use in the Australian real estate technology sector. The results of this financial year reflect the continued development and rollout of the Property Connect real estate technology products in Australia and the completion of the platform ready for a commercial market launch.

Review of Operations

Further information is contained in the Operations Report above.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State Law.

Significant Changes in the State of Affairs

There have been no significant changes in the Group's state of affairs during the financial year other than:

- On 24 October 2016, the Company completed a capital raise of $2.0million via a private convertible note ('Note') and issued 333,333,333 fully paid ordinary shares in the Company at a $0.006 per share conversion;
- In conjunction with the issuance of the Note, 47,000,000 options exercisable at $0.02 per share were approved at a general meeting on 15 December 2016;
- On 15 March 2016, 10 million shares were issued at an issue price of $0.05 to various promoters of the Property Connect Inc transaction and were subsequently issued.
- On 7 April 2017, the Company successfully completed a placement of 140,909,198 ordinary shares, raising $1.55million.

After Balance Date Events

Other than the following there are no matters or circumstances that have arisen since the end of the reporting period.

As reported in the Appendix 4E, on 30 August 2017 Property Connect issued a letter of demand in respect to the FY2017 advances to its wholly owned US subsidiary Property Connect Inc. ("PCI"), totalling $842,050 ("Loans"). It is anticipated that the directors of PCI will dispute the Loans and steps will be taken to put PCI into the equivalent of administration or liquidation as part of such dispute. Property Connect has made offers to acquire certain intellectual property of PCI on arm's length terms, which have been rejected by PCI. Property Connect will continue to seek to acquire such intellectual property through negotiations with either PCI directors, the Administrator or Liquidator (or equivalent) of PCI, as the Board of Property Connect determines is in the best interests of shareholders. The Board is currently receiving legal advice from US counsel on recovery procedures for the Loans but it is currently not contemplated that Property Connect will support a US presence for either marketing or development purposes but rather, as previously announced, focus its development and marketing efforts in Australia

Likely Developments and Expected Results of Operations

Other than the events that are set out above, information on likely developments in the operations of the Group and the expected results of operations have not been included in this financial report because the Directors believe it would likely result in unreasonable prejudice to the Group.

Dividends Paid, Recommended and Declared

No dividends were paid, declared or recommended since the start of the financial year.

Share Options

As set out in Significant Changes in the State of Affairs above, 47,000,000 options were issued on the following terms:

- 35,000,000 options were issued to Wentworth Global Capital Finance Pty Limited, exercisable at $0.02 on or before 3 years from the date of issue;
- 8,000,000 options were issued to Timothy Manson, exercisable at $0.02 on or before 3 years from date of issue and vesting subject to satisfaction of certain milestones on or before 1 March 2017 (lapsed as vesting milestones not satisfied)
- 4,000,000 options were issued to Darren Patterson, exercisable at $0.02 on or before 3 years from date of issue and vesting subject to satisfaction of certain milestones on or before 1 March 2017 (lapsed as vesting milestones not satisfied)

Shares issued on exercise of options

There have been no shares issued upon the exercise of options.

Insurance of Officers

During the financial year, the Company had in place and paid premiums in respect to insurance policies indemnifying Directors and officers of the Company against certain liabilities incurred in the conduct of the business or in the discharge of their duties as Directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the amount of the premium or the nature or extent of the insurer's liabilities under the policies.

No indemnities have been given or insurance premiums paid in respect to the auditors of the Group.

Proceedings on behalf of the Company

There are no proceedings on behalf of the Company at the date of this report.

Directors' Meetings

The number of meetings of the Board of Directors held during the financial year and the number of meetings attended by each Director was:

	Directors' Meetings	
Directors	**Number Eligible To Attend**	**Number Attended**
Peter Friend (resigned 28 October 2016)	8	7
Timothy Manson	25	22
Sam Lee (resigned 10 March 2017)	13	13
Michael Langoulant (resigned 31 August 2017)	22	20
Darren Patterson (appointed 9 November 2016)	16	16
David Nolan (appointed 10 March 2017)	13	13
Charles Tarbey (appointed 27 March 2017)	13	13

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 Group's affairs.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, Pitcher Partners, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 10 of this report.

Non-Audit Services

The Board of Directors is satisfied with the provision of the non-audit services during the year. The Directors are satisfied the services disclosed in Note 6 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Going Concern

The Group incurred a loss of $2,531,556 and had cash outflows for operating activities of $2,197,452 for the financial year ended 30 June 2017. It had a cash balance of $883,636 as at 30 June 2017 and subsequent to balance date, has continued to generate a loss.

Notwithstanding this, in the opinion of the Directors, there are reasonable grounds to believe that the Group will be able to pay their debts as and when they fall due, and continue as a going concern for the foreseeable future. The Group's corporate adviser raised $3.55 million between October 2016 and April 2017 in order to execute the Group's business plan. Based upon the Group's current cash flow forecast, execution of the business plan and satisfaction of other conditions, the corporate adviser is of the view it will be able to raise additional funding for the Group. The Board is confident that it will be able to satisfy these requirements and raise necessary funding.

The Directors have prepared cashflow projections based on the current corporate overheads and the proposed product development and implementation programme for the year to October 2019. The Group expects it will be unable to meet its proposed minimum product implementation work programme and pursue new client opportunities over the next 12 months without the Group being successful bringing in revenues streams or by completing a capital raising, asset sale, and/or joint venture agreement (or a combination of these events).

In the future there can be no guarantee that sufficient revenues can be earned or sufficient funds can be raised that will meet the Group's requirements. Failure to earn sufficient revenues or to raise the required funds may result in the Group failing to meet its proposed product development work programme and working capital requirements. The Directors will continue to mitigate the Group's going concern risk by minimising the Group's corporate overheads and project expenditure where appropriate/possible.

These conditions indicate a continued material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. However, the Directors believe that the Group will be successful in the above matters and accordingly have prepared the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

REMUNERATION REPORT

Remuneration policy

The remuneration policy of Property Connect Holdings Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Property Connect Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

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

(A) Principles used to determine the nature and amount of remuneration

(B) Details of remuneration

(C) Service agreements

(D) Share-based compensation

(A) Principles used to determine the nature and amount of remuneration

The objective of the Group'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 Group, 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 directors and 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 Fees
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.

Changes in Directors and Executives Subsequent to Year-end

On 31/8/17 Mike Langoulant resigned as Director.

(B) Details of remuneration

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

Table of Benefits and Payments

	Short-term benefits				Post Employment Benefits		
2017	Salary, Fees and Leave $	Profit Share and bonuses $	Non-monetary $	Other $	Superannuation $	Other $	Total $
Group KMP							
Peter Friend	25,778	-	-	-	2,694	-	28,472
Timothy Manson **	194,565	-	-	36,445	-	-	231,010
Sam Lee **	156,750	-	-	-	-	-	156,750
Michael Langoulant	44,777	-	-	-	4,254	-	49,031
Darren Patterson *	29,697	-	-	-	-	-	29,697
David Nolan *	23,387	-	-	-	-	-	23,387
Charles Tarbey *	20,877	-	-	-	-	-	20,877
Total KMP	495,831	-	-	36,445	6,948	-	539,224

Directors Fees

* Each Director provides director services which are provided by an entity and no superanuation is attributable.
** Tim Manson & Sam Lee were paid salaries & benefits by Property Connect Inc (PCI).

The Directors of Property Connect Holdings Ltd all agreed to hold and accrue payments of directors fees and entitlements from 1 July 2017 until the next capital raise. Proceeds from the capital raise will fund the back payment of these accruals.

2016	Short-term benefits: Salary, Fees and Leave $	Profit Share and bonuses $	Non-monetary $	Other $	Post Employment Benefits: Pension and superannuation $	Other $	Total $
Group KMP							
Peter Friend	12,083	-	-	-	1,148	-	13,231
Timothy Manson	159,804	-	5,000	-	-	-	164,804
Sam Lee	125,854	-	5,000	-	-	-	130,854
Michael Langoulant	1,100	-	-	-	105	-	1,205
Peter Papas	22,793	-	-	-	2,165	-	24,958
Steve Cole	16,986	-	-	-	1,614	-	18,600
Richard Boland	16,986	-	-	-	1,614	-	18,600
Total KMP	355,606	-	10,000	-	6,646	-	372,252

Other than the following there are no other director related transactions.
Platform Technology Development fees and Consultancy Fees paid to Two Up Labs Pty Ltd and Digital Return$ Pty Ltd, companies related to Mr Patterson totalled $306,000 and $169,587 respectively (FY 2017)
At 30 June 2017 the amounts payable balance to Two Up Labs Pty Ltd and Digital Returns are $44,000 and $16,500 respectively.

(C) Service agreements

On appointment to the Board, all Non-Executive Directors enter into service agreements with the Group in the form of a letter of appointment. Formal services contracts have been made with the Chief Executive Officer and Executive Director. The Group may terminate the CEO service contracts by paying a termination payment equal to 6 months' salary. The duration of the contracts were 3 years from date of appointment.

(D) Share-based compensation

Securities Received that are not Performance Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Options and Rights Granted as Remuneration

	Lapsed No. (Note 4)	Balance at End of Year No.	Vested: Exercisable No.	Vested: Unexercisable No.	Vested: Total at End of Year No.	Unvested: Total at End of Year No.
Group KMP						
Timothy Manson	8,000,000	-	-	-	-	-
Sam Lee	-	-	-	-	-	-
Michael Langoulant	-	-	-	-	-	-
Darren Patterson	4,000,000	-	-	-	-	-
David Nolan	-	-	-	-	-	-
Charles Tarbey	-	-	-	-	-	-
	12,000,000	-	-	-	-	-

Note 1 The fair value of options granted as remuneration as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

Note 2 Each of Mr Manson and Mr Lee hold 1 ESOP option each that, subject to vesting conditions, are convertible into 1,800,000 shares each.

Note 3 In accordance with terms of the acquisition of Property Connect Inc, Mr Manson can potentially be granted a maximum further 42,480,163 ordinary shares if certain revenue targets are met by 31 December 2017

Note 4 The lapsed options were issued as per the terms set out in the notice of meeting held on 15 December 2016.

KMP Shareholdings

The number of ordinary shares in Property Connect Holdings Limited held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning 4 Oct 2016	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Charges during the Year	Balance at End of Year 4 Oct 2017
Peter Friend	-				-
Timothy Manson	63,720,120				63,720,120
Sam Lee	-				-
Michael Langoulant	800,000				800,000
Darren Patterson	-			10,000,000	10,000,000
David Nolan	-			37,137,907	37,137,907

Charles Tarbey	-				-
	64,520,120	-	-	47,137,907	111,658,027

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other transactions with KMP and/or their related parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')

At the 2016 AGM, 63% of shareholders voted to approve the adoption of the remuneration report of the company for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

The Board resolved to

On behald of the Directors

....

David Nolan

Dated: 5/10/2017

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 2017, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Property Connect Holdings Limited and the entities it controlled during the financial year.

R M SHANLEY
Partner

PITCHER PARTNERS
Sydney

5 October 2017

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017 $	2016 $
Continuing operations			
Revenue	3	406	171
Employee benefits expense		(645,252)	(706,964)
Depreciation and amortisation expense		(55,000)	(54,445)
Finance costs		(708)	-
Impairment of intangible assets		(274,681)	-
Capital Advisory Fees		(423,864)	-
Other expenses		(442,576)	(821,821)
Backdoor listing expense		-	(560,010)
Finance expenses		-	(51,546)
Share based payment expense		-	(38,000)
Research and development costs		(337,587)	-
Professional Fees		(152,302)	-
Rent		(129,482)	-
Public Relations & Marketing		(70,510)	-
Share of net profits of associates and joint ventures		-	-
Loss before income tax	3	-	-
Tax expense	4	-	-
Net Loss from continuing operations		(2,531,556)	(2,232,615)
Discontinued operations			
Profit/(loss) from discontinued operations after tax	4	-	-
Net Loss for the year	3	(2,531,556)	(2,232,615)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss :			
Exchange differences on translation of foreign operations		(13,699)	(225,075)
Total other comprehensive loss for the year		(13,699)	(225,075)
Total comprehensive loss for the year		(2,545,255)	(2,457,690)
Loss per share			
From continuing and discontinued operations:		**Cents per share**	
Basic loss per share (cents)	7	(0.35)	(2.60)
Diluted loss per share (cents)	7	(0.35)	(2.60)

The accompanying notes form part of these financial statements.

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		Consolidated Group	
		2017	2016
	Note	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	883,636	276,124
Trade and other receivables	9	56,230	69,507
Other assets	13	45,525	6,439
TOTAL CURRENT ASSETS		985,391	352,070
NON-CURRENT ASSETS			
Trade and other receivables	9	-	-
Property, plant and equipment	11	4,508	-
Intangible assets	12	55,000	279,198
Bonds	13	-	18,845
TOTAL NON-CURRENT ASSETS		59,508	298,043
TOTAL ASSETS		1,044,899	650,113
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	89,018	295,067
TOTAL CURRENT LIABILITIES		89,018	295,067
NON-CURRENT LIABILITIES			
Non-current liabilities		82	-
TOTAL NON-CURRENT LIABILITIES		82	-
TOTAL LIABILITIES		89,100	295,067
NET ASSETS		955,799	355,046
EQUITY			
Issued capital	15	7,478,773	4,343,620
Reserves	23	(372,133)	(369,289)
Retained earnings		(6,150,841)	(3,619,285)
		955,799	355,046
TOTAL EQUITY		955,799	355,046

The accompanying notes form part of these financial statements.

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	Issued Capital	Retained Earnings	Reserves	Total
		$	$	$	$
Consolidated Group					
Balance at 1 July 2015		511,707	(1,386,670)	(154,214)	(1,029,177)
Balance at 1 July 2015 (restated)		511,707	(1,386,670)	(154,214)	(1,029,177)
Comprehensive income					
Loss for the year			(2,232,615)		(2,232,615)
Other comprehensive loss for the year	23(i)			(225,075)	(225,075)
Total comprehensive loss for the year		-	(2,232,615)	(225,075)	(2,457,690)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year net transaction costs		3,238,923			3,238,923
Deemed consideration for backdoor listing		560,010			560,010
Foreign currency translation effect		4,980			4,980
Share based payment expense		28,000		10,000	38,000
Total transactions with owners and other transfers		3,831,913	-	10,000	3,841,913
Balance at 30 June 2016		4,343,620	(3,619,285)	(369,289)	355,046
Balance at 1 July 2016		4,343,620	(3,619,285)	(369,289)	355,046
Comprehensive income					
Loss for the year			(2,531,556)		(2,531,556)
Other comprehensive loss for the year	23(i)			(2,844)	(2,844)
Total comprehensive income for the year		-	(2,531,556)	(2,844)	(2,534,400)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year net transaction costs		3,135,153			3,135,153
Total transactions with owners and other transfers		3,135,153	-	-	3,135,153
Balance at 30 June 2017		7,478,773	(6,150,841)	(372,133)	955,799

The accompanying notes form part of these financial statements.

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	151
Interest received		406	20
Payments to suppliers and employees		(2,196,654)	(1,404,606)
Finance costs		(1,204)	(51,546)
Income tax paid		-	-
Net cash used in operating activities	18a	(2,197,452)	(1,455,981)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase Intangible Assets		(138,000)	(4,340)
Increase in security deposits		-	(14,855)
Cash acquired on acquisition		-	25,348
Net provided by in investing activities		(138,000)	6,153
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,550,001	2,053,340
Funds from convertibile notes		2,000,000	218,182
Repayment of borrowings		-	(551,226)
Transaction costs		(607,037)	
Net cash provided by (used in) financing activities		2,942,964	1,720,296
Net increase in cash held		607,512	270,468
Cash and cash equivalents at beginning of financial year		276,124	83
Effect of exchange rates on cash holdings in foreign currencies		-	5,573
Cash and cash equivalents at end of financial year	8	883,636	276,124

The accompanying notes form part of these financial statements.

The financial statements were authorised for issue on 4 October 2017 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the R23, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The Company's registered office is at Level 26, 1 Bligh 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 curency.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) 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 not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability 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 a bargain purchase.

(b) Income Tax

The income tax expense (income) for the year 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 current 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.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or 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 that the reversal will occur in the foreseeable future.

(c) 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 (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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.

(ii) 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.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(v) 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.

(d) Intangible Assets Other than Goodwill

Development of Property Connect Platform

Patents and trademarks

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.

The amortisation charge is included within 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 based on the future economic benefits over the useful life of the project.

(e) 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 the (undiscounted) amounts expected to be paid when the obligation is 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include 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.

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated realiability.

(h) 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 of 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.

(i) Trade and Other Payables

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

(j) 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 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.

(k) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group has assessed that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies. The new or amended Accounting Standards and Interpretations most relevant to the Group, are set out below.

— **AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).**

The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018.

— **AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January**

The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018.

— **AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).**

The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019.

(l) 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.

(m) 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.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, 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.

(o) 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 a party to the contractual provisions of the instrument.

(p) Going concern

The Group incurred a loss of $2,531,556 and had cash outflows for operating activities of $2,197,452 for the financial year ended 30 June 2017. It had a cash balance of $883,636 as at 30 June 2017 and subsequent to balance date, has continued to generate a loss.

Notwithstanding this, in the opinion of the Directors, there are reasonable grounds to believe that the Group will be able to pay their debts as and when they fall due, and continue as a going concern for the foreseeable future. The Group's corporate adviser raised $3.55 million between October 2016 and April 2017 in order to execute the Group's business plan. Based upon the Group's current cash flow forecast, execution of the business plan and satisfaction of other conditions, the corporate adviser is of the view it will be able to raise additional funding for the Group. The Board is confident that it will be able to satisfy these requirements and raise necessary funding.

The Directors have prepared cashflow projections based on the current corporate overheads and the proposed product development and implementation programme for the year to October 2019. The Group expects it will be unable to meet its proposed minimum product implementation work programme and pursue new client opportunities over the next 12 months without the Group being successful bringing in revenues streams or by completing a capital raising, asset sale, and/or joint venture agreement (or a combination of these events).

In the future there can be no guarantee that sufficient revenues can be earned or sufficient funds can be raised that will meet the Group's requirements. Failure to earn sufficient revenues or to raise the required funds may result in the Group failing to meet its proposed product development work programme and working capital requirements. The Directors will continue to mitigate the Group's going concern risk by minimising the Group's corporate overheads and project expenditure where appropriate/possible.

These conditions indicate a continued material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. However, the Directors believe that the Group will be successful in the above matters and accordingly have prepared the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2017	2016
	$	$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	882,033	33,449
Non-current Assets	45,525	-
TOTAL ASSETS	927,558	33,449
LIABILITIES		
Current Liabilities	32,789	61,630
Non-current Liabilities	82	-
TOTAL LIABILITIES	32,871	61,630
EQUITY		
Issued Capital	21,859,280	18,905,731
Accumulated Losses	(21,262,235)	(19,004,094)
Reserves	297,642	70,182
TOTAL EQUITY	894,687	(28,181)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Loss for the year	(10,872,709)	(9,435,256)
Other comprehensive income	-	-
	(10,872,709)	(9,435,256)

The directors are of the opinion the parent company have no contingent liabilities at 30 June 2017.

Note 3 Revenue and Other Income

	Note	Consolidated Group 2017 $	2016 $
(a) Revenue from continuing operations			
Sales revenue			
— provision of services		-	171
		-	171
Other revenue			
— interest received	21	406	-
		406	-
Total revenue		406	171

Note 4 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 not met.

Tax losses available for subsequent financial years as per Company Tax	1,807,044	812,044

The Tax losses of PCH for FY 2017 of approximately $995,000 are included above and the Group has no tax liability for the financial year (2016: Nil).

Deferred tax assets have not been recognised in the Statement of Finacial Position as the recognition criteria have not been met.

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2017.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2017 $	2016 $
Short-term employee benefits	532,276	355,606
Post-employment benefits	6,948	6,646
Termination benefits	-	10,000
Share-based payments	-	-
Total KMP compensation	539,224	372,252

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

– these amounts are the current years' superannuation contributions

Share-based payments

– these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

The Directors agreed to hold payments of their directors fees and entitlements from 1 July 2017 until the next capital raise. The proceeds from which will fund these accrued fees.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Note 6 Auditor's Remuneration

	Consolidated Group 2017	2016

	$	$
Audit Services		
— auditing and reviewing the financial statements	38,000	30,000
— Compliance and other services	-	2,500
	38,000	32,500

Note 7 Loss per Share

	Consolidated Group	
	2017	2016
	$	$
Reconciliation of Loss to net loss		
Loss attributable to ordinary shareholders	(2,531,556)	(2,232,615)
	No.	No.
Weighted average number of ordinary shares	721,935,732	86,278,755
	(cents/share)	(cents/share)
Basic and diluted loss per share	(0.35)	(2.60)

Note 8 Cash and Cash Equivalents

	Consolidated Group	
	2017	2016
	$	$
Cash at bank and on hand	883,636	276,124
Short-term bank deposits	-	-
	883,636	276,124

Note 9 Trade and Other Receivables

	Consolidated Group	
	2017	2016
	$	$
CURRENT		
Sundry Debtors	-	69,507
Provision for impairment	-	-
GST Receivable	56,230	-
	56,230	69,507

Note 10 Interests in Subsidiaries

(a) **Information about Principal Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1.

		Equity Holding	
		2017	**2016**
Name of entity	**Country of Incorporation**	**(%)**	**(%)**
Property Connect Inc	USA	100%	100%

Note 11 Property, Plant and Equipment

	Consolidated Group	
	2017	2016
	$	$
PLANT AND EQUIPMENT		
Computer Equipment		
At cost	4,508	-
Accumulated depreciation	-	-
	4,508	-

Total property, plant and equipment	4,508	-

Note 12 Intangible Assets

	Consolidated Group	
	2017	2016
	$	$
Computer software, at cost	352,009	336,775
Accumulated amortisation and impairment losses	(352,009)	(103,214)
Patent Applications, at cost	37,586	37,241
Accumulated amortisation and impairment losses	- 37,586	-
Website development, at cost	31,499	31,499
Accumulated amortisation and impairment losses	(31,499)	(23,103)
Development of Property Connect platform	110,000	-
Accumulated amortisation and impairment losses	(55,000)	-
Total intangible assets	55,000	279,198

Consolidated Group:

	Development of PCH Platform	Website Development	Trademarks & Licences	Computer Software
	$	$	$	$
Year ended 30 June 2017				
Balance at the beginning of the year	-	8,396	37,241	233,561
Internal development	110,000.00	-	345.46	15,234
Amortisation charge	(55,000)	-	-	- 20,096
Impairment losses		(8,396)	(37,586)	(228,699)
Closing value at 30 June 2017	55,000	-	-	-

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. Goodwill has an indefinite uesful life.

Impairment disclosures

The total impairment loss recognised in the statement of profit or loss during the prior period amounted to $274,681 and is separately presented in the statement as "impairment tof Intangible Assets".

Note 13 Other Assets

	Consolidated Group	
	2017	2016
	$	$
CURRENT		
Prepayments	45,525	6,439
	45,525	6,439
NON-CURRENT		
Bonds Paid	-	18,845
	-	18,845

Note 14 Trade and Other Payables

	Consolidated Group	
	2017	2016
CURRENT	$	$
Unsecured liabilities		
- Accruals	30,000	
- Trade payables	59,018	295,067
	89,018	295,067

Due to the short term nature of these payables, their carrying amount is assumed to approximate their fair value

Note 15 Issued Capital

	Consolidated Group 2017 $	Consolidated Group 2016 $
721,935,732 (2016: 247,693,201) fully paid ordinary shares	7,478,773	4,343,620
	7,478,773	4,343,620

The company has authorised share capital amounting to 721,935,732 ordinary shares.

(a) **Ordinary Shares**

	Consolidated Group 2017 No. of shares	2017 $	2016 No. of shares	2016 $
At the beginning of the reporting period	247,693,201	4,343,620	9,919,250	511,707
Foreign exchange effect	-	287,353	-	4,980
Reverse Acquistion	-	-	-	-
Series A noteholders conversion	-	-	11,581,890	-
Series B noteholders conversion	-	-	642,312	-
Shares	-	-	97,856,548	-
Back door listing (CQA shareholders)	-	-	740,444,579	560,010
Share consolidation	-	-	(700,443,852)	-
Coversion of convertible notes	333,333,333	2,000,000	25,692,474	642,312
Capital Raising	131,818,289	1,450,000	50,000,000	2,500,000
Promoter shares issued	-	-	10,000,000	500,000
Shares issued in lieu of fees	9,090,909	100,000	2,000,000	28,000
Share issue costs	-	(702,200)	-	(403,389)
At the end of the reporting period	721,935,732	7,478,773	247,693,201	4,343,620

In October 2016 Property Connect Holdings Ltd ("Property Connect") raised $2.0m via a convertible note with a conversion price of $0.006 per share then in April 2017 successfully completed a placement of 140.9m ordinary shares at a placement of $0.011, raising $1.55m before costs. The capital was raised from new and existing professional and sophisticated shareholders.

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 16 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets that the company is aware of.

Note 17 Operating Segments

Identification of reportable 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.

Note 18 Cash Flow Information

	Consolidated Group 2017 $	Consolidated Group 2016 $
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**		
Net Loss for the year after income tax	(2,531,556)	(2,232,615)
Non-cash movements		
Impairment of intangibles	274,681	-
Depreciation / Amortisation	55,000	54,445
Backdoor listing expense	-	560,010
Share based payment expense	302,922	38,000
Increase / (decrease) in trade and other receivables	45,525	(75,946)

Increase / (decrease) in trade and other payables	(344,024)	200,125
Cash flows used in operating activities	(2,197,452)	(1,455,981)

Note 19 Share-based Payments

(i) On 24 October 2016, 47,000,000 share options were issued.

(ii) Options granted to key management personnel are as follows:

Grant Date	Number
24/10/2016	12,000,000

The 47,000,000 options were issued on the following terms:
• 35,000,000 options were issued to Wentworth Global Capital Finance Pty Limited, exercisable at $0.02 on or before 3 years from the date of issue;
• 8,000,000 options were issued to Timothy Manson, exercisable at $0.02 on or before 3 years from date of issue and vesting subject to satisfaction of certain milestones on or before 1 March 2017 (lapsed as vesting milestones not satisfied)
• 4,000,000 options were issued to Darren Patterson, exercisable at $0.02 on or before 3 years from date of issue and vesting subject to satisfaction of certain milestones on or before 1 March 2017 (lapsed as vesting milestones not satisfied)

A summary of the movements of all options issued is as follows:

	Consolidated Group			
	Number	Weighted average exercise price	Grant Date	Expiry Date
Options outstanding as at 30 June 2016	-			
Granted	47,000,000			
Forfeited	-			
Exercised				
Exercised				
Lapsed	(12,000,000)	$0.02	24/10/2016	31/03/2017
Options outstanding as at 30 June 2017	35,000,000			
Options exercisable as at 30 June 2017:	35,000,000	$0.02	24/10/2016	24/10/2019
Options exercisable as at 30 June 2016:	-			

The weighted average remaining contractual life of options outstanding at year end was 1 year. The exercise price of outstanding shares at the end of the reporting period was $0.02. Fair value of the options was derived by the Black & Scholes method.

Note 20 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

As reported in the Appendix 4E, on 30 August 2017 Property Connect issued a letter of demand in respect to the FY2017 advances to its wholly owned US subsidiary Property Connect Inc. (“PCI”), totalling $A842,050 (“Loans”). It is anticipated that the directors of PCI will dispute the Loans and steps will be taken to put PCI into the equivalent of administration or liquidation as part of such dispute. Property Connect has made offers to acquire certain intellectual property of PCI on arm’s length terms, which have been rejected by PCI. Property Connect will continue to seek to acquire such intellectual property through negotiations with either PCI directors, the Administrator or Liquidator (or equivalent) of PCI, as the Board of Property Connect determines is in the best interests of shareholders. The Board is currently receiving legal advice from US counsel on recovery procedures for the Loans but it is currently not contemplated that Property Connect will support a US presence for either marketing or development purposes but rather, as previously announced, focus its development and marketing efforts in Australia

Note 21 Related Party Transactions

Related Parties

Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the remuneration report and Note 5.

Director Related Entities

Director Darren Patterson, is also a director of Digital Return$ Pty Ltd and Two Up Labs Pty Ltd. Digital Return$ Pty Ltd provided consultancy services amounting to $306,000 in FY2017 with an amount payable at year end of $44,000. Two Up Labs Pty Ltd provided Platform development services amounting to $169,587 in FY2017 with an amount payable at year end of $16,500.

Charles Tarbey has provided services as director / chairman totalling $20,876 through a related entity called Tarbey Family Trust with an amount payable at year end of $20,876.

David Nolan has provided services for both his director and company secretarial services totalling $10,000 through a related entity Whiteoaks Capital Pty Ltd with an amount payable at year end $10,000.

Terms and Conditions
All transactions were unsecured, made on normal commerical terms and conditions and at market rates.

Note 22 Financial Risk Management

The Group’s financial instruments consist mainly of deposits with banks and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2017	2016
	Note	$	$
Financial Assets - at amortised cost			
Cash and cash equivalents	8	883,636	276,124
Loans and receivables	9	56,230	69,507
Total Financial Assets		939,866	345,631
Financial Liabilities at amortised cost			
— Trade and other payables	14	89,018	295,067
Non-current Financial Liabilities at amortised cost			
— Security Deposit		82	-
Total Financial Liabilities		89,100	295,067

Capital Management
There were no changes in the group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Specific Financial Risk Exposures and Management

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

a. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s cash and cash equivalents. The maximum exposure to credit risk is limited to the Group's cash and cash equivalents balance at 30 June 2017 being $883,636.

b. Liquidity risk
Liquidity risk is the risk that the Company or Group 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 matuirty 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.

Consolidated - 2017	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	$	$	$	$	$

Non-interest bearing					
Trade Payables	89,018	-	-	-	89,018
Security Deposit	-	82	-	-	82
Interest bearing					
None	-	-	-	-	-
	89,018	82	-	-	89,100

c. Currency risk

i *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.

ii *Foreign currency risk*

The Group, 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, and put the US on hold.

The Group does not have any material balances with foreign currency exposure.

During the year where there were overseas operations, fluctuations in the US Dollar may have impacted on the Group's financial results, the exposures were appropriately hedged.

d. 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 (ie 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

Note 23 Reserves

	Consolidated Group	
	2017	2016
	$	$
Share Based payments reserve		
Opening balance	10,000	-
Share based payment expense for the year	-	38,000
Transferred to issued capital	-	(28,000)
Closing balance	10,000	10,000
Foreign currency translation reserve		
Opening balance	(379,289)	(154,214)
Currency translation differences	(2,844)	(225,075)
Closing balance	(382,133)	(379,289)
	(372,133)	(369,289)

Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit or loss when the net investment is disposed of.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the 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.

Note 24 Commitments

As part of the acquisition to acquire Property Connect Holdings Inc, the parent entity has a commitment to issue up to a maximum of 80 million shares (Earn-Out Shares) based upon the Group's revenues for the calendar year ended 31 December 2017. The Earn-Out Shares will be issued on a pro-rata basis once revenues exceed $6 million. The full 80 million Earn-Out Shares will be issued if revenues for the 2017 calendar year reach $10 million.

Property Connect Inc may have incurred liabilities subsequent to 30 June 2017 which is unable to be quantified. Based upon advice obtained from its US counsel the Company has no liability for the obligations of Property Connect Inc.

Property Connect Holdings Ltd is not aware of any contingent liabilities as at 30 June 2017 for the Group.

Note 25 Company Details

The registered office and Principal Place of Business
Property Connect Holdings Limited
Level 26, 1 Bligh Street
Sydney, NSW, 2000

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Property Connect Holdings Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 11 to 26, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director

David Nolan

Dated this 5th day of October 2017

Independent Auditor's Report
to the Members of Property Connect Holdings Limited
A.B.N. 27 091 320 464

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Property Connect Holdings Limited (the Company) and its Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In our opinion:

a) the financial report of Property Connect Holdings Limited and its Controlled Entity 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 2017 and of its performance for the year ended on that date; 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* (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 in 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 1(p) in the financial report, which indicates that the Group incurred a loss after income tax of $2,531,556 and had cash outflows from operating activities of $2,197,452 for the year ended 30 June 2017. As stated in Note 1(p), 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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. We have communicated the key audit matters to the Directors of the Company, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Directors. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the matter***
Going concern ***Refer to Note 1(p): Going concern***	
The Group incurred a loss after income tax of \$2,531,556 and had cash outflows from operating activities of \$2,197,452 for the year ended 30 June 2017. The Directors have continued to adopt the going concern basis of preparation in preparing the financial report, after approval by the Board of a cash flow projection which supports the assertion that the Group will have sufficient resources to continue for a period of at least 12 months from the date the financial report. The cash flow projection incorporates a planned capital raise and revenue in accordance with the product implementation work programme. The Director's assessment of the Group's going concern ability was an area of focus and we paid particular attention to the key assumptions, estimates and judgements made by the Directors that most significantly impacted the cash flow projection.	Our procedures included, amongst others: ▪ Evaluating and challenging the key assumptions, estimates and judgements used in the Group's future cash flow projection. ▪ Performing sensitivity analysis over assumptions, estimates and judgements used in the Group's future cash flow projection. ▪ Assessing correspondence from the Group's Corporate Adviser in respect of their assessment of the ability to complete the planned capital raise for the Group and challenging the conditions precedent to the raise. ▪ Assessing the adequacy of the Group's disclosures in respect of the going concern assumption.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 consistent 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.

Directors' Responsibility for the Financial Report

The Directors of Property Connect Holdings Limited are responsible for the preparation and fair presentation of the consolidated 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 are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 responsibility is to express an opinion on the financial report based on our audit. 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation of the financial report that gives a true and fair view 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 controls.

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 controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

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 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 7 to 9 of the Directors' Report for the year ended 30 June 2017. In our opinion, the Remuneration Report of Property Connect Holdings Limited and its Controlled Entity for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Property Connect Holdings Limited 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.

R M SHANLEY
Partner

PITCHER PARTNERS
Sydney

5 October 2017

PROPERTY CONNECT HOLDINGS LIMITED ABN: 27091320464
AND CONTROLLED ENTITY
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 2 October 2017.

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	Number Ordinary	Number Redeemable
1 – 1,000	99,626	-
1,001 – 5,000	263,182	-
5,001 – 10,000	177,544	-
10,001 – 100,000	7,655,001	-
100,001 – and over	713,740,379	-
	721,935,732	-

b. The number of shareholdings held in less than marketable parcels is 1,202.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary	Number Preference
Mr Timothy Manson	63,720,170	

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held as at 30 June	% Held of Issued Ordinary Capital
1.	Timonthy Manson	63,720,170	8.82
2.	David Nolan	33,333,333	4.62
3.	QOC Founders Nominees Pty Ltd	24,190,290	3.35
4.	Healthville Investments Pty Ltd <Dr Robert Chiodo A	22,242,687	3.08
5.	HSBC Custody Nominees (Australia) Ltd	19,474,437	2.70
6.	BFB Holdings Pty Ltd (BFB Investments A/C>	16,666,667	2.31
7.	Scintilla Strategic Investments Ltd	16,500,000	2.29
8.	Pistachio Pty Ltd <The Pecan Superannuation A/C>	15,000,000	2.08
9.	WL Finance Pty Ltd	14,904,934	2.06
10.	Lilac Finance Pty Ltd	12,500,000	1.73
11.	Birnam Wood Superfund Pty Ltd <Birnam Wood Superfund A/c>	12,133,333	1.68
12.	QOC Founders Nominees Pty Ltd	11,033,719	1.53
13.	Quigley Viewcott Pty Ltd <Quigley Superfund A/c>	10,181,480	1.41
14.	Jathro Pty Ltd <IMON A/C>	10,000,000	1.39
15.	Darren Bruce Patterson	10,000,000	1.39
16.	BFB Holdings Pty Ltd (BFB Investments A/C>	9,090,910	1.26
17.	Merle Smith & Kathryn Smith <The Mini Pension Fund A/c>	9,000,000	1.24
18.	Michele Chiodo	8,500,000	1.18
19.	Peter Wade <Wade Family A/c>	8,428,601	1.17
20.	Okavango Investments Pty Ltd <Strahorn Investment A/c>	8,333,333	1.15
		335,233,894	46.44
	Total Remaining Holders Balance	386,701,838	53.56

2. The name of the company secretary is David Nolan.

3. The address of the principal registered office in Australia is Level 26, 1 Bligh Street, Sydney NSW 2234