

APPENDIX 4D

for the half-year ended 31 December 2017

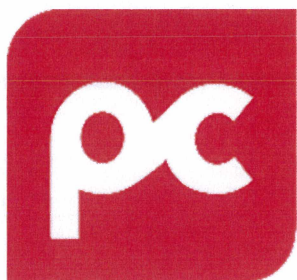
RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Percentage change Up or Down	%	\$
Revenue from continuing activities	Up	66,024%	197,712
(Loss) from ordinary activities after tax attributable to members	Down	37%	(411,494)
(Loss) for the period attributable members	Down	30%	(790,697)
Dividends	Amount per Security	Franked amount per security	
Interim Dividend - Current reporting period	Nil	Nil	
Record date for determining entitlements to dividends (if any)	Not applicable		
Date Dividend is payable	Not applicable		
Details of any dividend reinvestment plan in operation	Not applicable		
The last date for receipt of an election notice for participation in any dividend reinvestment plan	Not applicable		
Net Tangible Assets (NTA)	Half-year ended 31 Dec 2017		Half-year ended 31 Dec 2016
Net Tangible Assets per security (before tax)	0.00074 cents per share		0.00714 cents per share
Net Tangible Assets per security (after tax)	0.00074 cents per share		0.00714 cents per share
Loss of Control Over Entities			
Name of entity	Property Connect Inc (PCI)		
Date control lost	15 December 2017		
Consolidated profit from ordinary activities in the current period to the date in which was lost	\$0		
(Loss) from ordinary activities of the entity while controlled for the whole of the previous corresponding period	\$(379,494)		

AUDIT/REVIEW STATUS

This report is based on the half-year financial report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by ASX Listing Rule 4.2A. The information should be read in conjunction with the 30 June 2017 Annual Financial Report.

The Auditor's Review Report is an unmodified report.



PROPERTY
CONNECT

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

ACN 091 320 464

WWW.PROPERTYCONNECT.COM

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Michael Carter

Non-Executive Chairman

Mr Darren Patterson

Chief Executive Officer and Executive Director

Mr David Nolan

Non-Executive Director and Company Secretary

REGISTERED OFFICE

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Sydney NSW 2000

AUSTRALIA

POSTAL ADDRESS

Level 26, 1 Bligh Street

Sydney NSW 2000

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Sydney NSW 2000

EXCHANGE

Australian Securities Exchange (ASX)

Level 40, Central Park

152-158 St Georges Terrace

Perth WA 6000

AUSTRALIA

ASX Code: PCH

SHARE REGISTRY

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth WA 6000

AUSTRALIA

DIRECTORS' REPORT

The directors of Property Connect Holdings Limited (**ASX: PCH**) (**Company** or **Property Connect**), for the half-year ended 31 December 2017 and the auditor's review report thereon. This report has been prepared in accordance with AASB 134 Interim Financial Reporting.

DIRECTORS

The names and particulars of the directors of the Company in office during the year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

The Directors of the Company during the half-year and up to the date of this report are:

Mr Darren Patterson
Mr David Nolan
Mr Michael Carter (appointed 16 February 2018)
Mr Charles Tarbey (resigned 16 February 2018)
Mr Timothy Manson (resigned 26 October 2017)

OPERATING RESULTS

The Group has incurred a net loss after tax for the half-year ended 31 December 2017 of \$790,988 (31 December 2016: \$1,278,409).

REVIEW OF OPERATIONS

FINANCIAL UPDATE

Property Connect reported a net loss from continuing operations for the period of \$411,494, a significant decrease of \$245,701 from the prior corresponding period's loss of \$657,195. The result was driven by a decrease in expenses directly related to the discontinued operations of the US subsidiary, PCI and the development of the LiveOffer™ platform in-house during the December 2017 quarter primarily focused on the Australian market.

OPERATIONAL PROGRESS

During the past six months the Company made the decision to shut down its US operations and focus on executing in Australia. A key driver for this pivot to Australia is the excellent environment for advanced development and market testing of the Company's proprietary technology in a cost effective and controlled manner. The Australian property market is a sophisticated, large scale and vibrant market, open to new technologies and presenting plenty of opportunities. It is the Board's conviction that perfecting the technology and operating platform while commencing revenue generation will give the Company a strong base to expand internationally in the future.

The first transactions took place on the LiveOffer™ platform in December 2017 in Victoria and Western Australia, and in January and February further successful trials were undertaken in Sydney's North Shore market. The experience gained from these trials has substantiated the benefits for renters, landlords and property managers of the LiveOffer™ platform. The trials all saw transparent and fair bidding, matching supply and demand. Renters were impressed with the simplicity of the system and the ability to see where they were in the process. The property managers were able to save time and money in processing applications, and also

to explain to their landlords what the market price was for their investment properties, leading to vacancy rates being minimised and increasing returns and yields.

The Company expects to begin generating its first revenues by the end of the first quarter 2018 through agreeing commercial terms with the trial customers. The Company also plans to scale revenue growth by looking at partnership opportunities with leading players in the market, leveraging a capital light operating model.

As outlined in the most recent investor presentation, the Company has effectively completed the development of its enter bidding platform LiveOffer™, and plans to leverage and extend our technology into online property auctions and e-conveyancing over the next 12 months

CORPORATE

\$1.2 Million Capital Raise via placement

The Company successfully raised \$1.2m before capital raising costs by way of a private placement, which was issued to new and existing investors on 26th February 2018, as per the approval received at the Company's AGM in November 2017, 480 million new shares were issued at \$0.0025. The Company chose not to use the full \$1.5m approved capacity, or its additional 15% under listing rule 7.1.

The capital raising was conducted by Wentworth Global Capital Partners; a leading boutique corporate advisory and investment banking firm with a strong presence in the Australian market. Wentworth remains a shareholder and supporter of the Company

Board Changes

On the 26th October, Tim Manson resigned from the board and as CEO. Darren Patterson became interim CEO. Mr Patterson brings to Property Connect over 20 years of technology experience working for start-ups and bluechip technology companies to the Company. He was most recently the CEO and co-founder of property technology startup BrickX.

In February Darren Patterson was confirmed as CEO and Charles Tarbey stepped down as Chairman, citing his extremely busy workload. Experienced Company director Michael Carter is Property Connect's new Chairman, bringing extensive expertise and sector knowledge to the development and growth of the Company.

OUTLOOK

Following the placement, the Company is now well capitalised, with a prudent and lean operating structure. The short-term objectives are to begin generating revenue, execute more commercial agreements and continue trials of our technology with new partners in the residential, commercial leasing area. Concurrently we are exploring opportunities to deploy our technology in the residential and commercial real estate sales markets. The Company is also exploring strategically opportunities in the e-conveyancing and mortgage lending sectors.

GOING CONCERN

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate, pending the successful completion of the capital raising

(successfully completed subsequent to period end) as and future generating of revenue, such that it can continue to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future. It is assumed that the Company has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The US subsidiary, Property Connect Inc (PCI) discontinued operations during the period and was dissolved on 15 December 2017. As a result, the accounts are no longer consolidated. The Company has shown the adjustment for assets, liabilities and reserves as a single amount in the profit and loss and other comprehensive income statement. A sole director is engaged in the orderly windup of its affairs, and will incur no debts or liabilities other than in connection with the windup.

There were no other significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On Monday, 26 February 2018, the Company announced that it had issued 480,000,000 fully paid ordinary shares in the Company at a \$0.0025 per share, in accordance with the terms agreed.

The issue of new shares followed the receipt of all necessary approvals under the Agreement at the Company's Annual General Meeting of shareholders on 30 November 2017 (AGM).

Other than as referred to elsewhere in this consolidated half-year report there are no other matters or circumstances that have arisen since 31 December 2017 that may significantly affect operations, results or state of affairs of the Group in future financial years.

ROUNDING OF AMOUNTS TO NEAREST DOLLARS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 8 of this report.

This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Michael Carter

Chairman

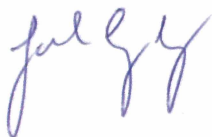
Sydney, NSW this 28th day of February 2018.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PROPERTY CONNECT HOLDINGS LIMITED
ACN 091 320 464**

In relation to the independent auditor's review for the half-year ended 31 December 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 in relation to the review.

This declaration is in respect of Property Connect Holdings Limited.



J S GAVLJAK
Partner

PITCHER PARTNERS
Sydney

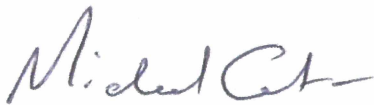
28 February 2018

DIRECTORS' DECLARATION

The Directors of Property Connect Holdings Limited declare that:

1. the financial statements and accompanying notes, as set out on pages 12 to 21 are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the Directors by:



Michael Carter

Chairman

Sydney, NSW this 28th day of February 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PROPERTY CONNECT HOLDINGS LIMITED
ACN 091 320 464**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Property Connect Holdings Limited ("the Company") which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *"Review of a Financial Report Performed by the Independent Auditor of the Entity"*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*. As the auditor of Property Connect Holdings Limited and the entities it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

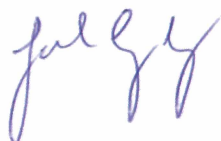
Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a loss after income tax of \$790,697 and had cash outflows from operating activities of \$257,739 for the half-year ended 31 December 2017. As stated in Note 2, these events or conditions, along with the other matters set forth indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Property Connect Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



J S GAVLIJAK
Partner



PITCHER PARTNERS
Sydney

28 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2017

	Note	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Continuing operations			
Revenue		197,712	-
Advertising and marketing expense		(6,318)	(26,032)
Audit and accounting fees		(30,254)	(62,000)
Consultant and advisory fees		(58,800)	(220,000)
Depreciation and amortisation		(68,250)	-
Directors fees		(103,038)	(64,743)
Finance expenses		(674)	(203)
Insurances		(17,525)	(12,194)
IT/computer expenses		(5,590)	(50)
Legal Fees		(111,827)	(28,352)
Professional fees		(78,204)	(131,000)
Public company costs		(35,478)	(32,118)
Research and development costs		(63,000)	(67,135)
Rental and occupancy expenses		(660)	(5,029)
Travel and entertainment		(10,257)	(7,209)
Other expenses from ordinary activities		(19,331)	(1,130)
		<u>(609,206)</u>	<u>(657,195)</u>
Loss before income tax expense		(411,494)	(657,195)
Income tax (benefit)/expense		-	-
Loss for the half-year from continuing operations		(411,494)	(657,195)
Loss from discontinued operations	7	(379,494)	(621,213)
Loss for the half-year		(790,988)	(1,278,409)
Other comprehensive Income for the half-year			
Exchange differences on translation of foreign operations		291	151,932
Total other comprehensive income		291	151,932
Total comprehensive Loss for the half-year		(790,697)	(1,126,477)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the half-year report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2017

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Earnings per share for loss from Continuing Operations attributable to the ordinary equity holders of the Company	Cents	Cents
Basic (loss) per share	(0.06)	(0.27)
Diluted (loss) per share	(0.06)	(0.27)
 Earnings per share for loss attributable to the ordinary equity holders of the Company	 Cents	 Cents
Basic (loss) per share	(0.11)	(0.52)
Diluted (loss) per share	(0.11)	(0.52)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the half-year report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	31 Dec 2016 \$	30 Jun 2017 \$
Current assets			
Cash and cash equivalents		426,896	883,636
Trade and other receivables		38,209	56,230
Other assets		-	45,525
Total current assets		<u>465,105</u>	<u>985,391</u>
Non-current assets			
Property, plant and equipment		-	4,508
Intangible assets		204,750	55,000
Total non-current assets		<u>204,750</u>	<u>59,508</u>
Total assets		<u>669,855</u>	<u>1,044,899</u>
Current liabilities			
Trade and other payables		132,538	89,018
Total current liabilities		<u>132,538</u>	<u>89,018</u>
Non-current liabilities			
Non-current liabilities		82	82
Total non-current liabilities		<u>82</u>	<u>82</u>
Total liabilities		<u>132,620</u>	<u>89,100</u>
Net assets		<u>537,235</u>	<u>955,799</u>
Equity			
Issued capital	3	7,478,773	7,478,773
Reserves	4	-	(372,133)
Accumulated losses		(6,941,538)	(6,150,841)
Total equity		<u>537,235</u>	<u>955,799</u>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the half-year report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2017

	Issued Capital \$	Foreign Currency Translation Reserve \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2016	4,343,620	(379,289)	10,000	(3,619,285)	355,046
Other comprehensive profit	-	151,932	-	299	152,231
Loss for the half-year	-	-	-	(1,278,708)	(1,278,708)
Total comprehensive income for the half-year	-	151,932	10,000	(1,278,708)	(1,126,477)
<i>Transactions with owners in their capacity as owners</i>					
Balance at 31 December 2016	4,343,620	(227,357)	10,000	(4,897,694)	(771,431)
Balance at 1 July 2017	7,478,773	(382,133)	10,000	(6,150,841)	955,799
Release of reserves	-	382,133	(10,000)	-	372,133
Other Comprehensive profit	-	-	-	291	291
Loss for the half-year	-	-	-	(790,988)	(790,988)
Total comprehensive income for the half-year	-	-	-	(6,941,538)	537,235
<i>Transactions with owners in their capacity as owners</i>					
Balance at 31 December 2017	7,478,773	-	-	(6,941,538)	537,235

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the half-year report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2017

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Cash flows from operating activities		
Receipts from customers	-	299
Receipts from government rebates	197,701	
Payments to suppliers and employees	(455,452)	(788,941)
Finance costs paid	-	(2,260)
Interest received	11	-
<i>Net cash used in operating activities</i>	(257,740)	(790,902)
Cash flows from investing activities		
Payments for intangible assets	(199,000)	(46,548)
Increase in security deposits	-	(493)
Payments for property, plant and equipment	-	(4,689)
<i>Net cash used in investing activities</i>	(199,000)	(51,729)
Cash flows from financing activities		
Funds from convertible notes	-	1,786,721
Transaction costs	-	(607,891)
<i>Net cash provided by financing activities</i>	-	1,178,830
Net (decrease)/increase in cash and cash equivalents	(456,740)	336,199
Cash at the beginning of the year	883,636	276,124
Foreign exchange effects	-	153,433
Cash at the end of the period	426,896	765,756

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the half-year report.

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2017

1. REPORTING ENTITY

Property Connect Holdings Limited (**Company**) is a company domiciled in Australia. The interim financial report as at and for the six months ended 31 December 2017 covers Property Connect Holdings Limited. Property Connect Inc was dissolved on 15 December 2017 and will no longer be part of the consolidated group.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by the Company in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

There are no new and revised accounting requirements significantly affecting the half year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2017 Annual Financial Report.

The consolidated interim financial report was authorised for issue by the Board of Directors on 28 February 2018.

2.2. ROUNDING OF AMOUNTS

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

2.3. GOING CONCERN

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the half-year ended 31 December 2017 of \$790,988 (31 December 2016 for the Group: \$1,278,409) and a net cash outflow from operations of \$257,739 (31 December 2016 for the Group: \$790,902). At 31 December 2017, the Company has net assets of \$537,235 (30 June 2017: \$955,799).

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate, pending the successful completion of the capital raising (successfully completed subsequent to period end) and future generating of revenue, such that it can continue to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future. It is assumed that the Company has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

3. ISSUED CAPITAL

3.1. FULLY PAID ORDINARY SHARES

	Half-year ended 31 Dec 2017		Full-year ended 30 Jun 2017	
	No.	\$	No.	\$
Balance at beginning of the period	721,935,732	7,478,773	247,693,201	4,343,620
Foreign exchange effect	-	-	-	287,353
Conversion of convertible notes	-	-	333,333,333	2,000,000
Capital raising	-	-	131,818,289	1,450,000
Shares issued in lieu of fees	-	-	9,090,909	100,000
Share issue costs	-	-	-	(702,200)
Balance at end of year	721,935,732	7,478,773	721,935,732	7,478,773

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

4. RESERVES

	Half-year ended 31 Dec 2017 \$	Full-year ended 30 Jun 2017 \$
<i>Foreign currency translation reserve</i>		
Opening balance	(382,133)	(379,289)
Currency translation differences	-	(2,844)
Release of reserves	382,133	-
Closing balance	-	(382,133)
<i>Share-based payments reserve</i>		
Opening balance	10,000	10,000
Release of reserves	(10,000)	-
Closing balance	-	10,000
	-	(372,133)

The US subsidiary, Property Connect Inc (PCI) discontinued operations during the period and was dissolved on 15 December 2017. As a result, the accounts are no longer consolidated. The Company has shown the adjustment for assets, liabilities and reserves as a single amount in the profit and loss and other comprehensive income statement and released the reserves as a result of no longer being a consolidated group.

4.1. NATURE AND PURPOSE OF RESERVES

4.1.1. 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 or discontinued.

4.1.2. 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. The reserve is recognised in the profit or loss when the net investment is disposed of or discontinued.

5. EVENTS AFTER THE REPORTING PERIOD

On Monday, 26 February 2018, the Company announced that it had issued 480,000,000 fully paid ordinary shares in the Company at a \$0.0025 per share conversion, in accordance with the terms agreed.

The issue of new shares followed the receipt of all necessary approvals under the Agreement at the Company's Annual General Meeting of shareholders on 30 November 2017 (AGM).

Other than as referred to elsewhere in this consolidated half-year report there are no other matters or circumstances that have arisen since 31 December 2017 that may significantly affect operations, results or state of affairs of the Group in future financial years.

6. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the Property Connect LiveOffer™ Rental Application. The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

7. DISCONTINUED OPERATIONS - PROPERTY CONNECT INC (PCI)

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
DISCONTINUING OPERATIONS		
<u>Profit & Loss</u>		
Revenue	-	299
Advertising and marketing expense		(23,318)
Consultant and advisory fees		(21,809)
Depreciation and amortisation		(17,866)
Employee benefits		(294,406)
Finance expense		(2,057)
Insurance		(776)
IT/Computer expenses		(2,713)
Legal Fees		(29,350)
Rental and occupancy costs		(66,479)
Travel and entertainment		(153,893)
Other expenses		(8,845)
PCI Dissolution Impairment	(379,494)	
Loss before income tax expense	(379,494)	(621,213)
Income tax (benefit)/expense	-	-
Loss for the half-year from discontinuing operations	(379,494)	(621,213)
<u>Assets & Liabilities</u>		
Assets		
Cash and cash equivalents	1,603	84,867
Trade and other receivables	4,797	3,092
Other assets	4,174	84,867
Non-current Assets		
Property plant & equipment	4,735	4,689
Intangible assets	223,536	267,880
Other assets	17,387	19,338
Liabilities		
Trade & other payables	(277,996)	(253,162)
Borrowings	-	(8,947)
Equity		
Foreign Exchange Reserve	(26,374)	
Net Assets	(48,138)	122,398

DISCONTINUED OPERATIONS - PROPERTY CONNECT INC (PCI)

	Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Cash Flow		
Net cash inflow / (outflow) from operating activities	-	(336,600)
Net cash inflow / (outflow) from investing activities	-	(36,824)
Net cash inflow / (outflow) from financing activities	-	825,714

During the past six months the Company made the decision to shut down its US operations and focus on executing in Australia. As a result the US subsidiary, Property Connect Inc (PCI) discontinued operations during the period and was dissolved on 15 December 2017. The accounts for the period are not prepared on a consolidated basis. The Company has shown the adjustment for assets, liabilities and reserves as a single amount in the profit and loss and other comprehensive income statement and released the reserves as a result of no longer being a consolidated group.

8. FAIR VALUE

There are no assets or liabilities measured at fair value. The carrying amounts of cash and cash equivalents, other receivables, other current assets and trade payables are assumed to approximate their fair values due to their short-term nature.