

PROPERTY CONNECT HOLDINGS LIMITED

ABN 27 091 320 464

Appendix 4E Preliminary final report Year ended 30 June 2016

Revenues from ordinary activities	Unchanged	Nil	To	171
Loss from ordinary activities after tax attributable to members	Down	276%	To	(\$2,294,615)
Net loss for the period attributable to members	Down	202%	To	(\$2,519,690)

No final dividend has been declared for the current year and no dividend was declared or paid for the previous year.

On 15 March 2016, Property Connect Holdings Limited (formerly Conquest Agri Limited) acquired 100% of the shares of Property Connect Inc by way of issue of 120 million shares at a price of \$0.05 per share and a maximum of 80,000,000 shares based on revenue targets for the calendar year ended 31 December 2017. This transaction was deemed a “back door” transaction and as such the financial accounts for the year ended 30 June 2016 represent the transactions of Property Connect Inc for the full year plus those transactions of the parent company, Property Connect Holdings Ltd, for the period 15 March to 30 June 2016.

The results of this financial year reflect the continued development and rollout of the Property Connect real estate technology products and the costs of the back door transaction.

The net tangible asset (NTA) per security as at 30 June 2016 was (\$0.0013) (2015(\$0.0004)).

The accounts are in the process of being audited.

Signed on behalf of the Board of Property Connect Holdings Limited



Peter Friend
Chairman

Dated 30 August 2016

PROPERTY CONNECT HOLDINGS LIMITED
APPENDIX 4E 30 JUNE 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	30 June 16 \$A	30 June 15 \$A
Revenues	171	-
Backdoor listing expense	560,010	-
Depreciation and amortisation	54,445	49,073
Employee benefits expenses	698,886	-
Finance expenses	51,546	24,329
Other expenses	929,899	536,242
	2,294,786	609,644
(Loss) before income tax expense	(2,294,615)	(609,644)
Income tax benefit/(expense)	-	-
(Loss) for the year from continuing operations	(2,294,615)	(609,644)
Other comprehensive loss, net of tax		
Exchange differences on translation of foreign operations	(225,075)	(225,759)
Total other comprehensive (loss)	(225,075)	(225,759)
Total comprehensive (loss) for the year	(2,519,690)	(835,403)

	Cents / Share	
	30 June 16	30 June 15
Earnings per share		
Basic earnings/(loss) per share	(2.66)	(6.2)
Diluted earnings/(loss) per share	(2.66)	(6.2)

To be read in conjunction with the attached notes to the Financial Statements

PROPERTY CONNECT HOLDINGS LIMITED
APPENDIX 4E 30 JUNE 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Consolidated	
	30 June 16	30 June 15
	\$A	\$A
Current assets		
Cash & cash equivalents	276,124	83
Trade and other receivables	75,946	-
Total current assets	352,070	83
Non-current assets		
Intangibles	279,198	317,528
Other	18,845	3,990
Total non-current assets	298,043	321,518
Total Assets	650,113	321,601
Current liabilities		
Trade and other payables	295,067	94,942
Total current liabilities	295,067	94,942
Non-current liabilities		
Borrowings	-	551,226
Convertible Promissory Notes	-	704,610
Total non-current liabilities	-	1,255,836
Total liabilities	295,067	1,350,778
Net assets/(liabilities)	355,046	(1,029,177)
Equity		
Issued capital	4,510,399	606,486
Reserves	(474,068)	(248,993)
Accumulated losses	(3,681,285)	(1,386,670)
Total equity	355,046	(1,029,177)

To be read in conjunction with the attached notes to the Financial Statements

PROPERTY CONNECT HOLDINGS LIMITED
APPENDIX 4E 30 JUNE 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2016

	Consolidated			
	Issued capital	Foreign currency reserve	Accumulated losses	Total equity
	\$A	\$A	\$A	\$A
Balance 1 July 2014	496,297	(23,234)	(777,026)	(303,963)
Other comprehensive (loss)	-	(225,759)	-	(225,759)
(Loss) after income tax	-	-	(609,644)	(609,644)
Total recognised (expense) for the year	-	(225,759)	(609,644)	(835,403)
Shares issued	110,189	-	-	110,189
Balance 30 June 2015	606,486	(248,993)	(1,386,670)	(1,029,177)

	Consolidated			
	Issued capital	Foreign currency reserve	Accumulated losses	Total equity
	\$A	\$A	\$A	\$A
Balance 1 July 2015	606,486	(248,993)	(1,386,670)	(1,029,177)
Other comprehensive (loss)	-	(225,075)	-	(225,075)
(Loss) after income tax	-	-	(2,294,615)	(2,294,615)
Total recognised (expense) for the year	-	(225,075)	(2,294,615)	(2,519,690)
Share issues net of transaction costs	3,338,923	-	-	3,338,923
Foreign currency translation effect	4,980	-	-	4,980
Deemed consideration for backdoor listing	560,010	-	-	560,010
Balance 30 June 2016	4,510,399	(474,068)	(3,681,285)	355,046

To be read in conjunction with the attached notes to the Financial Statements

PROPERTY CONNECT HOLDINGS LIMITED

APPENDIX 4E 30 JUNE 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30 JUNE 2016

Note	Consolidated	
	30 June 16 \$A	30 June 15 \$A
Cash flows from operating activities		
Receipts from customers	151	-
Payment to suppliers and employees	(1,404,605)	(673,494)
Interest received	20	-
Finance costs paid	(51,546)	(24,329)
Net cash (outflows) from operating activities	(1,455,980)	(697,823)
Cash flows from investing activities		
Payments for Intangible assets	(4,340)	(98,266)
Increase in security deposits	(14,855)	-
Cash acquired on acquisition	25,348	-
Net cash inflows/(outflows) from investing activities	6,153	(98,266)
Cash flows from financing activities		
(Repayments of)/proceeds from borrowings	(551,226)	150,279
Funds from convertible notes	218,182	529,136
Proceeds from share issue net of share issue costs	2,053,340	110,089
Net cash inflows from financing activities	1,720,296	789,504
Net increase/(decrease) in cash and cash equivalents	270,469	(6,585)
Cash and cash equivalents at the beginning of the financial year	83	6,668
Foreign exchange effects	5,572	-
Cash and cash equivalents at the end of the financial year	276,124	83

To be read in conjunction with the attached notes to the Financial Statements

PROPERTY CONNECT HOLDINGS LIMITED

APPENDIX 4E 30 JUNE 2016

NOTES TO THE APPENDIX 4E

YEAR ENDED 30 JUNE 2016

Note 1: Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the Appendix 4E. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation of the Appendix 4E

The Appendix 4E has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Appendix 4E covers Property Connect Holdings Limited and controlled entities as a consolidated entity. Property Connect Holdings Limited is a listed public company on the Australian Securities Exchange (ASX:PCH), registered and domiciled in Australia.

Business Combinations – reverse takeover acquisition

On 15 March 2016, Property Connect Holdings Limited (formerly Conquest Agri Limited) acquired 100% of the shares of Property Connect Inc by way of issue of 120 million shares at a price of \$0.05 per share and a maximum of 80,000,000 shares based on revenue targets for the calendar year ended 31 December 2017.

The acquisition did not meet the definition of a business combination in accordance with AASB 3 *Business Combinations* as Conquest Agri Limited was not deemed to be a business for accounting purposes and therefore, the transaction was not a business combination within the scope of AASB 3. Instead, the acquisition is accounted for as a share based payment transaction under AASB 2 *Share-based Payment* whilst applying the principles of AASB 3 including the guidance provided in paragraphs B19 to B27 in respect of reverse acquisitions. Under AASB 2 *Share-based Payment* the difference in the fair value of the shares issued by the accounting acquirer (Property Connect Inc) and the fair value of the accounting acquiree's (Property Connect Holdings) identifiable net assets represents a listing cost incurred by Property Connect Inc rather than goodwill.

Accordingly, the consolidated financial report of Property Connect Holdings Limited has been prepared as a continuation of the business and operations of Property Connect Inc as the deemed accounting acquirer. The consolidated financial report therefore comprises only Property Connect Inc for all comparative periods and from 1 July 2015 up to 15 March 2015; and Property Connect Inc and Property Connect Holdings from 15 March 2016 to 30 June 2016. The former 100% controlled entities of Property Connect Holdings Limited - ETT Access Limited, FarmWorks Merchandise Services Pty Limited and Farmworks Australia Financial Services Pty Limited - were deregistered or disposed of prior to 15 March 2016.

The consolidated annual financial report of the Group as at and for the year ended 30 September 2015 is available upon request from the Company's registered office at Level 1, 47 Havelock Street, West Perth 6005 or at www.propertyconnect.com.

Compliance with IFRS

The consolidated financial statements of Property Connect Holdings Limited comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

This Appendix 4E 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.

PROPERTY CONNECT HOLDINGS LIMITED
APPENDIX 4E 30 JUNE 2016

NOTES TO THE APPENDIX 4E
YEAR ENDED 30 JUNE 2016

Note 2: Segment information

The consolidated entity operates one segment being the USA real estate technology sector. No additional segment reporting is considered necessary.

Note 3: Earnings per share

Consolidated	
30 June 16	30 June 15
\$A	\$A
Net (loss) attributable to ordinary shareholders	
(2,294,615)	(609,644)
No. of shares	No. of shares
Weighted average number of ordinary shares	
86,278,755	9,919,250
(cents/share)	(cents/share)
Basic and diluted loss per share	
(2.66)	(6.2)

Note 4: Issued Capital

	No. of Shares	\$A
Opening balance	9,919,250	606,486
Foreign exchange effect	-	4,980
Reverse Acquisition		
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)	-
Conversion of convertible notes	25,692,474	642,312
Capital raising	50,000,000	2,500,000
Promoter shares issued	10,000,000	500,000
Shares issued in lieu of fees	2,000,000	100,000
Share issue costs	-	(403,389)
Closing balance	247,693,201	4,510,399

Note 5: Events occurring after balance date

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTES TO THE APPENDIX 4E
YEAR ENDED 30 JUNE 2016

Note 6: Going Concern and Solvency

The consolidated entity incurred a loss of \$2,294,615 for the financial year ended 30 June 2016 and subsequent to balance date, has continued to generate a loss.

The Directors have prepared cash projections based on the current corporate overheads and the proposed product development and implementation programme for the year to July 2017. 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 earlier than budgeted or by completing a capital raising, asset sale, and/or joint venture agreement.

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.