

**PROPERTY CONNECT HOLDINGS LIMITED**

**ABN 27 091 320 464**

**AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2016**

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**PROPERTY CONNECT HOLDINGS LIMITED**  
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**CORPORATE DIRECTORY**

DIRECTORS	Peter Friend (Chairman) Tim Manson (CEO) Sam Lee Michael Langoulant
SECRETARY	Michael Langoulant
REGISTERED OFFICE	Level 1, Suite 2 47 Havelock Street West Perth WA 6005 Ph: (08) 6313 5140 Fax: (08) 9324 2977
US OFFICE	12575 Beatrice Street Los Angeles, California USA 90066
SHARE REGISTER	Computershare Investor Services Pty Limited Level 3 60 Carrington Street Sydney NSW 2000 Ph: (02) 8234 5000
AUDITOR	Pitcher Partners Level 22, MLC Centre 19 Martin Place Sydney NSW 2000
BANKERS	Westpac Bank Limited Cnr Pitt & Hunter Streets Sydney NSW 2000
STOCK EXCHANGE LISTING	Property Connect Holdings Limited shares are listed on the Australian Securities Exchange (ASX Code: PCH)
WEBSITE ADDRESS	<a href="http://www.propertyconnect.com">www.propertyconnect.com</a>
CORPORATE GOVERNANCE STATEMENT	<a href="http://www.propertyconnect.com">www.propertyconnect.com</a>

## **OPERATING AND FINANCIAL REVIEW**

### **CORPORATE**

On 15 March 2016, Property Connect Holdings Limited (formerly Conquest Agri Limited) ("PCH" or the "Company") completed the acquisition of 100% of the shares of Property Connect Inc ("PCI") pursuant to a stock purchase agreement dated 9 October 2015 and as was approved by shareholders at a general meeting on 16 December 2015, and pursuant to a replacement prospectus dated 13 January 2016.

The acquisition was completed 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 resulted in all existing convertible debt being converted into PCH ordinary shares as well as the raising of \$2.5 million (before issue costs) in working capital through the prospectus issue.

The Group is developing technology for use within the US real estate market with a focus of the massive US "multi-family" apartment market.

### **PRODUCT DEVELOPMENT**

The Group has been developing its LiveOffer™ technology since 2013 and has had the initial version LiveOffer™v1 being tested by various market participants. The corporate changes during the last year have allowed the Company to initiate the development of LiveOffer™ v2.

In November 2015, the Group consolidated development partnerships with property management groups to build out a design roadmap of features and implementation improvement to adapt LiveOffer™ v1 specifically for the multifamily industry sector.

In December 2015, the Group began an engineering development partnership with software developer Apmaspheric Pty Ltd to build out the engineering for LiveOffer™ v2. In February 2016, a LiveOffer™ v2 prototype design was completed, in accordance with the roadmap, and the final design construction was handed to Apmaspheric to complete engineering development.

The launch for LiveOffer™ v2 for pilot testing is anticipated shortly, with the commercial launch anticipated in December 2016 quarter

### **BUSINESS DEVELOPMENT**

In the past 12 months the Group has taken great steps in moving from our conception as an innovative real estate technology company to quickly emerging as a major influencer in the US multifamily industry. In particular, over the last year the Group has exceeded its business development goals and has positioned itself and firmly engaged with significant clients from a relationship and implementation perspective.

As at September 2016, our efforts have earned the Group agreements with 2 of the top 50 US apartment owners and management groups (*Hunt Companies and ZRS Management*). In addition, the Group is in detailed discussions with 5 additional top management groups: *Greystar Real Estate Partners, Pinnacle Property Management, Bridge Investment Group, Apartment Investment and Management Company (Aimco), and Edward Rose Building Enterprise*. All of these groups sit within the US National Multifamily Housing Council's ("NMHC") 2016 Top 50 Rankings.

In addition to the US Multifamily property management sector, the Group has also progressed into the single family rental market. *Sellstate Partners Realty* signed an MSA with the Group in June 2016. Through this strategic alliance with SellState, the Group is poised to enter the single family home rental market - targeting funds including but not limited to the Blackstone Group and the Starwood Waypoint Residential Trust.

### **BUSINESS DEVELOPMENT PARTNERS**

The Group has been working with 4 pilot industry partners, *Hunt, ZRS, Bonaventure Realty Group, European Investment Management Corp (EIMC)*, in collaborating on product development.

Brief details of the key property management groups that we are building partnership relationships with (and their rankings according to the NMHC Top 50 Rankings for Apartment Managers by units under management) are :

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- Greystar (#1) – 451,000 apartment units under management
- Pinnacle (#3) – 134,000 apartment units under management
- Edward Rose (#12) – 60,400 apartment units under management
- Aimco (#19) – 53,600 apartment units under management
- Bridge Investment Group (#42) – 31,600 apartment units under management
- ZRS (#45) - 30,400 apartment units under management.
- Hunt (#18 ranked Apartment Owner) - Ranked #1 in 2015.

The Group has also progressed with partnership discussions with the following groups for either pilot programs, MSA's or potential MSA's::

- Bonaventure - 7,100 apartment units.
- Berger - 7,000 apartment units.
- EIMC - 3,000 apartment units.

The Group is also engaged in intermediate discussions with several groups managing between 1,500 and 42,000 apartment units each.

#### *LIKELY DEVELOPMENTS*

The Group's future business development efforts will be to focus on a two-pronged approach of completing current opportunities and growing new opportunities.

The current opportunities to be focused upon in the coming year include the aforementioned management groups currently under intermediate discussions in regard to MSA's. They range between 1,500 and 42,000 in units under management for a total of more than 60,000 units, which will allow the Group to spread into the market under a wider range of customer profiles.

The Group is also committed to growing more opportunities with continued business development and outreach efforts through presentation and sales efforts at tradeshow and conferences, as well as individual customer meetings.

The Group is also exploring growth opportunities in the student housing market. In the US, private student housing is a multi-billion dollar annual market that meets well defined needs in the residential rental market for students at universities with underfunded or undersupplied on-campus housing facilities. In the first six months of 2016 alone, student housing property transactions represented US\$5.7 billion, (source: New York City-based research firm Real Capital Analytics). These private rental properties are increasingly relied upon by the university systems and focused upon by institutional real estate investors. The Group hopes to leverage both factors into market penetration through lease term optimisation.

The Group has begun preliminary discussions with operators in the student housing industry sector and hopes to progress with terms of services on more than 40 properties and 30,000 apartment units in the coming year.

#### *ADVISORY BOARD*

In addition to the Company's directors and executives the Group has put together a Multifamily Advisory Board with respected leaders in the industry to facilitate interaction and promotion within the industry. The external board members are:

- Billy Nye, Director of Operations of Berger Management - Former US Air Force One Pilot for President, George Bush. Former CEO of Caviness and Cates, Former President of Bonaventure Realty Group.
- Steve Lefkovitz, CEO of Joshua Tree Consulting; Executive Producer of the Apartment Internet Marketing (AIM) Conference, the Multifamily Technology and Entrepreneurship Conference (MTEC) & Maximize: Multifamily Asset Management Conference.

The Group will endeavour to create a similar advisory board to assist it to penetrate the student housing market.



Dated this 4<sup>th</sup> day of October 2016  
Tim Manson, CEO  
Sydney, Australia

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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 2016 and Auditor's Report thereon.

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.

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

### **Directors**

<b>Name:</b>	<b>Peter Friend</b>
<b>Title:</b>	Non-Executive Chairman
<b>Qualifications:</b>	B.Law
<b>Experience and Expertise:</b>	Mr Friend was appointed a director on 15 March 2016. His professional career has included executive and director roles at several companies in the financial services, gaming and wagering and sporting industries spanning more than 35 years. In particular, during his 16 year career with State Bank of New South Wales Limited, he was director of more than 15 companies associated with the Bank. After completing the trade sale of the Bank to Colonial, he took on several executive roles at listed public companies and was an officer of those companies. Peter has also served in senior roles with Australian Rugby Union Limited and Football Federation of Australia and has been an officer of both entities. Peter is a solicitor of the Supreme Court of New South Wales and the High Court of Australia, as well as a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.
<b>Other Current Directorships:</b>	None
<b>Former Directorships (3 years):</b>	None
<b>Special Responsibilities:</b>	Chairman
<b>Interest in Shares and options:</b>	Nil
<b>Name:</b>	<b>Timothy Manson</b>
<b>Title:</b>	Chief Executive Director
<b>Qualifications:</b>	B.Bus Admin
<b>Experience and Expertise:</b>	Mr Manson was appointed a director on 15 March 2016. He is the founder and CEO 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 on a multi-faceted approach in a diverse range of areas surrounding a real estate, successfully planning, designing and building numerous projects in conjunction with managing a wide ranging asset portfolio.
<b>Other Current Directorships:</b>	Nil
<b>Former Directorships (3 years):</b>	None
<b>Special Responsibilities:</b>	CEO
<b>Interest in Shares and options:</b>	63,720,120 ordinary shares, 1 ESOP Option, Maximum earn out shares – 42,480,163

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Name:	Sam Lee
Title:	Executive Director
Qualifications:	B.Sc, PhD Law (Michigan)
Experience and Expertise:	Mr Lee was appointed a director on 15 March 2016. He has 7 years of legal work experience, working as an attorney at Google Inc., as a real estate associate at Atkinson Andelson Loya Ruud & Romo and with various law firms in complex litigation practices. His experience on the Waza, Nest Labs and Motorola Home transactions while at Google heavily influence his corporate operational philosophy. Samuel has also worked in various production and operations capacities at Yahoo! And Catcha Group, a Malaysia-based investment firm. He also founded LSAT Zone, a web-based test preparation service for US graduate law school admissions.
Other Current Directorships:	Nil
Former Directorships (3 years):	None
Special Responsibilities:	None
Interest in Shares and options	1 ESOP Option
Name:	Michael Langoulant
Title:	Non-Executive Director
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 Luiiri Gold Limited
Special Responsibilities:	Company Secretary
Interest in Shares and options:	800,000 ordinary shares

Rodd Boland and Steven Cole were directors of the Company from the beginning of the financial year until their resignation on 15 March 2016. Peter Papas was a director of the Company from the beginning of the financial year until his resignation on 22 June 2016.

## Principal Activities

The Group is developing products for use in the USA real estate technology sector. 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 that resulted in this business being owned by the Company.

## Review of Operations

Further information is contained in the Chairman’s Review of Operations Report.

## 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 15 March 2016, the Company completed the acquisition of Property Connect Inc by issuing 120 million ordinary 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;
- A prospectus equity raising of \$2.5 million in working capital was completed on 15 March 2016 by the issue of 50 million shares at an issue price of \$0.05 per share;
- 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
- On 22 June 2016, 2 million shares were issued in lieu of consulting fees with a fair value of \$28,000.

## After Balance Date Events

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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### **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**

There are no unissued shares or interests in the Group granted during or since the end of the financial year except for:

- A maximum of 80 million shares may be issued if Group revenue hurdles are met during the 2017 calendar year, and
- At the date of this report the Company has issued 2 Employee Share Option Plan (ESOP) options that, subject to various vesting conditions, may be converted into 1,800,000 shares per ESOP option.

### **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:

<b>Directors</b>	<b>Directors' Meetings</b>	
	<b>Number Eligible To Attend</b>	<b>Number Attended</b>
Peter Friend (appointed 15 March 2016)	3	3
Timothy Manson (appointed 15 March 2016)	3	3
Sam Lee (appointed 15 March 2016)	3	3
Michael Langoulant (appointed 22 June 2016)	-	-
Peter Papas (resigned 22 June 2016)	3	3
Steven Cole (resigned 15 March 2016)	-	-
Rod Boland (resigned 15 March 2016)	-	-

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.



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## Directors' Interests in Shares or Options

Directors' relevant interests in shares of Property Connect Holdings Limited or options over shares in the Company are detailed below:

	Balance at 1 July 2015	Received as remuneration	Share Consolidation	Additions	Disposals	Balance at 30 June 2016
Peter Friend	-	-	-	-	-	-
Tim Manson** <sup>1</sup>	-	-	-	63,720,120	-	63,720,120
Sam Lee**	-	-	-	-	-	-
Michael Langoulant	-	-	-	800,000	-	800,000
Steven Cole	10,098,386	-	(9,552,850)	-	(325,958)	*
Peter Papas	88,045,652	-	(83,289,281)	668,000	(1,430,000)	*
Rod Boland	-	-	-	-	-	*
	Balance at 1 July 2014	Received as remuneration	Share Consolidation	Additions	Disposals	Balance at 30 June 2015
Peter Papas	-	-	-	88,045,652	-	88,045,652
Rodd Boland	-	-	-	-	-	-
Steven Cole	9,050,686	-	-	1,047,700	-	10,098,386
Larry Shutes	1,149,500	-	-	-	-	*
Mathew Denton	1,500,000	-	-	-	-	*

\* Ceased to be key management personnel during the year.

\*\* 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.

<sup>1</sup> In accordance with the 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 in the 2017 calendar year (refer note 19).

There has been no change in director's interests in shares of Property Connect Holdings Limited or options over shares in the Company since 30 June 2016.

## Going Concern

The Group incurred a loss of \$2,232,615 and had cash outflows from operating activities of \$1,455,981 for the financial year ended 30 June 2016. It had a cash balance of \$276,124 as at 30 June 2016 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 Company has recently received a binding funding commitment from a non-related party to the extent of \$600,000. The Company is finalising negotiations in relation to the structure of a capital raising and expects to make an announcement on this matter within the next week. Further short term funding solutions are being actively investigated.

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 (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.

## **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 12 of this report.

## **Non-Audit Services**

The Board of Directors is satisfied that the provision of the non-audit services during the year. The Directors are satisfied the services disclosed in Note 14 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.

## **Remuneration Report (audited)**

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

The information provided under headings A - D includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been audited.

### **(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.

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## Remuneration Report (audited) (continued)

### (B) Details of Remuneration

The amounts below include some amounts paid to directors by the parent entity prior to the “backdoor transaction” being amounts which do not form part of the expenses shown in these financial statements.

#### Year ended 30 June 2016

	<i>Salary / fees</i>	<i>Post-employment benefits/ Superannuation</i>	<i>Share-based payments</i>	<i>Total</i>
	\$	\$	\$	\$
<b>Director</b>				
P Friend*	12,083	1,148	-	13,231
T Manson	159,804	-	5,000	164,804
S Lee	125,854	-	5,000	130,854
M Langoulant*	1,100	105	-	1,205
P Papas <sup>1</sup>	22,793	2,165	-	24,958
S Cole** <sup>1</sup>	16,986	1,614	-	18,600
R Boland <sup>1</sup>	16,986	1,614	-	18,600
	355,606	6,646	10,000	372,252

#### Year ended 30 June 2015

<b>Director</b>				
T Manson	206,682	-	-	206,682
S Lee	-	-	-	-
P Papas	7,905	751	-	8,656
S Cole**	20,982	1,993	-	22,975
R Boland	7,905	751	-	8,656
L Shutes <sup>1</sup>	19,615	1,863	-	21,478
M Denton <sup>1</sup>	13,077	1,242	-	14,319
	276,166	6,600	-	282,766

<sup>1</sup> Resigned as directors during the relevant year.

\* Accrued fees only, no payments have been made to these directors.

\*\* Company secretary fees paid to Charter Pacific Corporation Ltd, a company related to Mr Cole totalled \$54,000 (2015: \$6,952).

### (C) Service Agreements

On appointment to the Board, all Non-Executive Directors enter into a 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 Company may terminate these service contracts by paying a termination payment equal to 6 months' salary.

### (D) Share-Based Compensation

The Company has not entered into any equity-settled share-based payment transactions (including options and rights granted as compensation to directors or key management personnel) during the reporting period other than issuing 2 ESOP options to 2 directors prior to the “back door” transaction.

This report is made in accordance with a resolution of the Directors.

On behalf of the Directors



**Peter Friend**

Non-Executive Chairman

4<sup>th</sup> day of October 2016 at Sydney, Australia

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF PROPERTY CONNECT HOLDINGS LIMITED  
ABN 27 091 320 464**

In relation to the audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) 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.



ROD SHANLEY  
Partner

PITCHER PARTNERS  
Sydney

4 October 2016

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

	Note	30 June 16 \$	30 June 15 \$
Revenues		171	-
Backdoor listing expense		560,010	-
Depreciation and amortisation		54,445	49,073
Employee benefits expenses		706,964	206,682
Finance expenses		51,546	24,329
Other expenses	25	821,821	329,560
Share based payment expense		38,000	-
		<u>2,232,786</u>	<u>609,644</u>
<b>(Loss) before income tax expense</b>		<b>(2,232,615)</b>	<b>(609,644)</b>
Income tax benefit/(expense)		-	-
<b>(Loss) for the year from continuing operations</b>		<b>(2,232,615)</b>	<b>(609,644)</b>
<b>Other comprehensive loss, net of tax</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(225,075)	(225,759)
<b>Total other comprehensive (loss)</b>		<b>(225,075)</b>	<b>(225,759)</b>
<b>Total comprehensive (loss) for the year</b>		<b>(2,457,690)</b>	<b>(835,403)</b>
		<b>Cents per share</b>	
<b>Earnings/(loss) per share</b>		<b>30 June 16</b>	<b>30 June 15</b>
Basic earnings/(loss) per share	22	(2.6)	(6.2)
Diluted earnings/(loss) per share	22	(2.6)	(6.2)

To be read in conjunction with the accompanying Notes to the Financial Statements

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	30 June 16 \$	30 June 15 \$
<b>Current assets</b>			
Cash & cash equivalents	4	276,124	83
Trade and other receivables	5	69,507	-
Prepayments		6,439	-
Total current assets		<u>352,070</u>	<u>83</u>
<b>Non-current assets</b>			
Intangibles	6	279,198	317,528
Other	7	18,845	3,990
Total non-current assets		<u>298,043</u>	<u>321,518</u>
<b>Total Assets</b>		<u>650,113</u>	<u>321,601</u>
<b>Current liabilities</b>			
Trade and other payables	8	295,067	94,942
Total current liabilities		<u>295,067</u>	<u>94,942</u>
<b>Non-current liabilities</b>			
Borrowings	9	-	551,226
Convertible Promissory Notes	9	-	704,610
Total non-current liabilities		<u>-</u>	<u>1,255,836</u>
<b>Total liabilities</b>		<u>295,067</u>	<u>1,350,778</u>
<b>Net assets/(liabilities)</b>		<u>355,046</u>	<u>(1,029,177)</u>
<b>Equity</b>			
Issued capital	10	4,343,620	511,707
Reserves	11	(369,289)	(154,214)
Accumulated losses		<u>(3,619,285)</u>	<u>(1,386,670)</u>
<b>Total equity</b>		<u>355,046</u>	<u>(1,029,177)</u>

To be read in conjunction with the accompanying Notes to the Financial Statements

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

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

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance 1 July 2014	511,707	71,545	(777,026)	(193,774)
Other comprehensive (loss)	-	(225,759)	-	(225,759)
(Loss) after income tax	-	-	(609,644)	(609,644)
Total comprehensive (loss) for the year	-	(225,759)	(609,644)	(835,403)
Transactions with equity holders in their capacity as equity holders:				
Shares issued net of transaction costs	-	-	-	-
Balance 30 June 2015	511,707	(154,214)	(1,386,670)	(1,029,177)

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance 1 July 2015	511,707	(154,214)	(1,386,670)	(1,029,177)
Other comprehensive (loss)	-	(225,075)	-	(225,075)
(Loss) after income tax	-	-	(2,232,615)	(2,232,615)
Total comprehensive (loss) for the year	-	(225,075)	(2,232,615)	(2,457,690)
Transactions with equity holders in their capacity as equity holders:				
Shares issued net of transaction costs	3,238,923	-	-	3,238,923
Foreign currency translation effect	4,980	-	-	4,980
Share based payment expense	28,000	10,000	-	38,000
Deemed consideration for backdoor listing	560,010	-	-	560,010
Balance 30 June 2016	4,343,620	(369,289)	(3,619,285)	355,046

To be read in conjunction with the accompanying Notes to the Financial Statements

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING 30 JUNE 2016**

	Note	30 June 16 \$	30 June 15 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		151	-
Payment to suppliers and employees		(1,404,606)	(443,845)
Interest received		20	-
Finance costs paid		(51,546)	(24,329)
<b>Net cash (outflows) from operating activities</b>		(1,455,981)	(468,174)
<b>Cash flows from investing activities</b>			
Payments for intangible assets		(4,340)	(36,432)
Increase in security deposits		(14,855)	(3,990)
Cash acquired on acquisition		25,348	-
<b>Net cash inflows/(outflows) from investing activities</b>		6,153	(40,422)
<b>Cash flows from financing activities</b>			
(Repayments of)/proceeds from borrowings		(551,226)	57,886
Funds from convertible notes		218,182	488,700
Proceeds from share issue net of share issue costs		2,053,340	-
<b>Net cash inflows from financing activities</b>		1,720,296	546,586
<b>Net increase/(decrease) in cash and cash equivalents</b>		270,468	37,990
Cash and cash equivalents at the beginning of the financial year		83	6,668
Foreign exchange effects		5,573	(44,575)
<b>Cash and cash equivalents at the end of the financial year</b>		276,124	83

To be read in conjunction with the accompanying Notes to the Financial Statements



## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1: Statement of Significant Accounting Policies**

The following is a summary of significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

##### **Basis of preparation of the financial report**

The financial report is a general purpose financial report that 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*, as appropriate for for-profit oriented entities.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The Company is a listed public company registered and domiciled in Australia. The financial report is presented in Australian dollars.

The financial report was authorised by the Board of directors for issue on 4 October 2016.

##### ***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 2016; 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.

##### ***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 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.

##### ***Critical accounting estimates***

The preparation of this financial report requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial report are disclosed in note 2.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1: Significant Accounting Policies (continued)**

##### **Going concern**

The Group incurred a loss of \$2,232,615 and had cash outflows for operating activities of \$1,455,981 for the financial year ended 30 June 2016. It had a cash balance of \$276,124 as at 30 June 2016 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 Company has recently received a binding funding commitment from a non-related party to the extent of \$600,000. The Company is finalising negotiations in relation to the structure of a capital raising and expects to make an announcement on this matter within the next week. Further short term funding solutions are being actively investigated.

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 (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.

##### **Segment reporting**

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

##### **Foreign currency translation**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

##### **Revenue recognition**

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

Service revenue is recognised by reference to the stage of completion of the transaction at balance date. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective rate applicable.

Other revenue is recognised when it is received or when the right to receive payment is established.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1: Significant Accounting Policies (continued)**

##### **Income tax**

The income tax expense or benefit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Group is currently not consolidated for income tax purposes.

##### **Cash and cash equivalents**

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 in trade and other receivables or trade and other 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1. Significant Accounting Policies (continued)**

##### **Financial Instruments**

Financial Instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified at fair value through the profit or loss.

##### **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 using the effective interest rate method.

##### **Financial Liabilities**

Financial liabilities are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

##### **Intangible assets**

##### **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. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 or 7 years.

Costs associated with software development, website development and patent applications are deferred and amortised on a straight line basis over a 5 or 7 year period. The amortisation charge is included within depreciation and amortisation expense in the statement of comprehensive income.

##### **Patent applications**

Significant costs associated with patents and trademarks are deferred and will be amortised on a straight-line basis, from the date of grant over the period of their expected benefit, being their finite life of 10 years.

##### **Impairment of assets**

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset is defined as the higher of its fair value less costs to sell and value in use.

##### **Trade and other receivables**

All trade and other receivables are recognised at the amounts receivable as they are generally due for settlement by no more than 30 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

##### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **Finance costs**

Finance costs are recognised as expenses in the period in which they are incurred, except those that are incurred as part of the cost of the construction of a qualifying asset, which are capitalised. Finance costs include interest on short and long term borrowings.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1. Significant Accounting Policies (continued)**

##### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

##### **Employee benefits**

###### ***Wages and salaries and annual leave***

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

###### ***Long service leave***

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

##### **Foreign currencies translations and balances**

###### ***Transactions and balances***

Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues or expenses for the financial year.

##### **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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1. Significant Accounting Policies (continued)**

##### **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.

##### **New standards and interpretations not yet adopted**

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***

This standard is 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 1. Significant Accounting Policies (continued)**

##### ***AASB 15 Revenue from Contracts with Customers***

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. 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***

This standard is 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.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 2: Critical accounting estimates and judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

#### **Key Estimates**

##### ***Impairment of assets***

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined.

It is the Group's policy to conduct bi-annual internal reviews of asset values, which is used as a source of information to assess for any indicators of impairment.

#### **Note 3: Income tax expense**

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
<b>Income tax expense recognised in income statement</b>		
<i>Current income tax</i>		
Current income tax payable	-	-
Income tax expense/(benefit) reported in statement of comprehensive income	-	-
Tax losses available for subsequent financial years	-	-

As the Parent company has not carried on the same business throughout the year and into the future tax losses cannot be brought forward for deduction.

The Company has incurred tax losses and has no tax liability for the financial year (2015: Nil).

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain.



**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 4: Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	276,124	83

**Note 5: Receivables**

**Current**

Sundry debtors	69,507	-
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**Note 6: Intangibles**

Software development, at cost	336,775	323,995
Amortisation	(103,214)	(53,012)
	233,561	270,983
Website development, at cost	31,499	34,465
Amortisation	(23,103)	(15,542)
	8,396	18,923
Patent applications, at cost	37,241	27,622
	279,198	317,528

**Note 7: Deposits**

Rental security bonds	18,845	3,990
	18,845	3,990

**Note 8: Trade and Other Payables**

**Current**

Trade payables	210,587	85,868
Accruals	84,480	9,074
	295,067	94,942

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 9: Borrowings**

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current, unsecured</b>		
Loans from related parties	-	551,226
Convertible promissory notes	-	704,610
	-	1,255,836

The loans from related parties were fully repaid during the year.

The convertible promissory notes were converted into ordinary shares as part of the acquisition of Property Connect Inc.

**Note 10: Issued Capital**

	<b>2016</b>		<b>2015</b>	
	<b>No. of Shares</b>	<b>\$</b>	<b>No. of Shares</b>	<b>\$</b>
Opening balance at 1 July 2015	9,919,250	511,707	9,919,250	511,707
Foreign exchange effect	-	4,980	-	-
Reverse Acquisition <sup>1</sup>				
Series A noteholders conversion	11,581,890	-	-	-
Series B noteholders conversion	642,312	-	-	-
Shares	97,856,548	-	-	-
Back door listing (CQA shareholders) <sup>1</sup>	740,444,579	560,010	-	-
Share consolidation <sup>1</sup>	(700,443,852)	-	-	-
Conversion of convertible notes <sup>1</sup>	25,692,474	642,312	-	-
Capital raising <sup>2</sup>	50,000,000	2,500,000	-	-
Promoter shares issued <sup>3</sup>	10,000,000	500,000	-	-
Shares issued in lieu of fees <sup>4</sup>	2,000,000	28,000	-	-
Share issue costs	-	(403,389)	-	-
Closing balance as at 30 June 2016	247,693,201	4,343,620	9,919,250	511,707

<sup>1</sup> Shares issued, convertible loans converted into shares and other movements in share capital relating to the reverse takeover of Property Connect Holdings Inc in March 2016.

<sup>2</sup> Ordinary shares issued at \$0.05 per share in accordance with a prospectus lodged with ASIC in December 2015.

<sup>3</sup> Ordinary shares issued at \$0.05 per share to various promoters of the reverse takeover process

<sup>4</sup> Ordinary shares issued at a deemed value of \$0.014 per share to extinguish a consulting fee liability

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 11: Reserves**

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
Movements in reserves for the year were		
<i>Foreign currency translation reserve</i>		
Opening balance	(154,214)	71,545
Currency translation differences	(225,075)	(225,759)
Closing balance	(379,289)	(154,214)
<hr/>		
<i>Share-based payments reserve</i>		
Opening balance	-	-
Share based payment expense for the year	38,000	-
Transferred to issued capital	(28,000)	-
Closing balance	10,000	-
	<hr/>	<hr/>
	(369,289)	(154,214)
	<hr/>	<hr/>

#### *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 12: Financial Risk 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.

#### **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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 30 JUNE 2016**

#### **Note 12: Financial Risk Management (continued)**

##### ***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 loans. For the Company it arises from receivables due from subsidiaries.

##### ***Financial assets - loans and receivables***

The Company undertakes a review of all loans and receivables periodically and assesses the recoverability of the asset against analysis of the estimated future estimated cash flows from future operations. Where the estimated future cash flows do not support recoverability of the loan balance, an allowance for impairment is recognised in the statement of comprehensive income.

An impairment loss is reversed, if the reversal can be related objectively to an event that occurred after the impairment loss was recognised. For financial assets that are debt securities the reversal is recognised in the income statement.

Sensitivity to credit risk is not material given the current level of receivables.

##### ***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 facilities are continually monitored matching forecast cash flows with the maturity profile of financial assets and liabilities.

##### ***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.

At 30 June 2016, the Group had \$215,151 payables in USD currency (2015: USD \$1,255,836) relating to transactions for which the Group had firm commitments.

If the Australian dollar weakened/strengthened by 10% against the USD with all other variables held constant, the Group's post tax loss for the year would have been \$21,000 lower/higher (2015: \$125,000).

##### ***Price risk***

The Group is not subject to any price risk.

##### ***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.

##### ***Fair value of financial instruments***

The carrying amounts of financial instruments reflect their fair value.

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 13: Key Management Personnel**

***Directors***

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

<b>Name of Director</b>	<b>Commenced</b>	<b>Status</b>
Peter Friend	15 March 2016	Current
Timothy Manson	15 March 2016	Current
Sam Lee	15 March 2016	Current
Michael Langoulant	22 June 2016	Current
Rod Boland	6 June 2014	Resigned 15 March 2016
Steven Cole	3 March 2015	Resigned 15 March 2016
Peter Papas	3 March 2015	Resigned 22 June 2016

***Other key management personnel***

There were no changes to other management personnel.

**Compensation**

The remuneration of the Directors of the Group is set out below. The figures below include some remuneration paid to directors of the parent entity prior to the "backdoor" transaction and as such are not included as expenses in these financial statements:

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
Short term	355,606	69,484
Post-employment	6,646	6,600
Share based payments	10,000	-
	<b>372,252</b>	<b>76,084</b>

**PROPERTY CONNECT HOLDINGS LIMITED**  
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## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

### Note 13: key Management personnel (continued)

#### Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at 1 July 2015	Received as remuneration	Share Consolidation	Additions	Disposals	Balance at 30 June 2016
Peter Friend	-	-	-	-	-	-
Tim Manson** <sup>1</sup>	-	-	-	63,720,120	-	63,720,120
Sam Lee**	-	-	-	-	-	-
Michael Langoulant	-	-	-	800,000	-	800,000
Steven Cole	10,098,386	-	(9,552,850)	-	(325,958)	*
Peter Papas	88,045,652	-	(83,289,281)	668,000	(1,430,000)	*
Rod Boland	-	-	-	-	-	*
	Balance at 1 July 2014	Received as remuneration	Share Consolidation	Additions	Disposals	Balance at 30 June 2015
Peter Papas	-	-	-	88,045,652	-	88,045,652
Rodd Boland	-	-	-	-	-	-
Steven Cole	9,050,686	-	-	1,047,700	-	10,098,386
Larry Shutes	1,149,500	-	-	-	-	*
Mathew Denton	1,500,000	-	-	-	-	*

\* Ceased to be key management personnel during the year.

\*\* 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. The ESOP options were issued during the year.

#### Other transactions

During the year, the Group repaid a loan from a director that existed prior to the backdoor transaction. Mr Manson was repaid \$520,257 in short term loans after the completion of the backdoor transaction.

Prior to the backdoor transaction the Company issued 2 Employee Share Option Plan options to directors T Manson and S Lee. Each option is, subject to continuity of employment vesting conditions, convertible into 1,800,000 ordinary shares. Each option has been determined to have a deemed value of \$40,000 per option which will be expensed on a pro-rata basis over the 2 year vesting period.

### Note 14: Remuneration of Auditors

The following outlines the fees paid or payable for services provided by Pitcher Partners.

	Consolidated	
	30 June 16	30 June 15
	\$	\$
<b>Audit services</b>		
Audit and review of financial statements	30,000	10,000
<b>Other services</b>		
Compliance and other services	2,500	15,000
<b>Total auditor's remuneration</b>	32,500	25,000

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 15: Parent Entity Disclosures**

The parent entity is Property Connect Holdings Limited.

	30 June 16 \$	30 June 15 \$
<b>Financial Position</b>		
<b>Assets</b>		
Current assets	33,449	29,352
Non-current assets	-	-
Total assets	<u>33,449</u>	<u>29,352</u>
<b>Liabilities</b>		
Current liabilities	61,630	73,589
Non-current liabilities	-	-
Total liabilities	<u>61,630</u>	<u>73,589</u>
<b>Net Assets</b>	<u>(28,181)</u>	<u>(44,237)</u>
<b>Equity</b>		
Issued capital	18,905,731	9,166,777
Reserves	70,182	357,824
Accumulated losses	<u>(19,004,094)</u>	<u>(9,568,838)</u>
	<u>(28,181)</u>	<u>(44,237)</u>
<b>Financial performance</b>		
Loss for year	(9,435,256)	(489,158)
Other comprehensive income	-	-
	<u>(9,435,256)</u>	<u>(489,158)</u>

The Directors are of the opinion that no provisions are required in respect of any contingent liabilities.

**Note 16: Related Party Transactions**

**Key Management Personnel**

Disclosures relating to key management personnel are set out in note 13 and the Directors' Report.

**Director Related Entities**

A former director/company secretary, Steven Cole, is a Company Secretary of Charter Pacific Corporation Limited. Charter Pacific Corporation has provided services for company secretarial and accounting services totalling \$54,000 (2015: \$6,952).

**Terms and Conditions**

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

**PROPERTY CONNECT HOLDINGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 17: 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:

Name of entity	Country of incorporation	Equity holding	
		30 June 16 %	30 June 15 %
Property Connect Inc	USA	100	-
ETT Access Limited*	New Zealand	-	100
FarmWorks Merchandise Services Pty Ltd*	Australia	-	100
FarmWorks Australia Financial Services Pty Ltd*	Australia	-	100

\* These companies were deregistered during the year.

**Note 18: Reconciliation of Cash Flow from Operations with Loss after Income Tax**

	30 June 16 \$	30 June 15 \$
a) <i>Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities</i>		
Net loss for the year after income tax	(2,232,615)	(609,644)
Depreciation/amortisation	54,445	49,073
Backdoor listing expense	560,010	-
Share based payment expense	38,000	-
(Increase) / decrease in trade and other receivables	(75,946)	-
Increase / (decrease) in trade and other payables	200,125	92,397
Net cash outflow from operating activities	(1,455,981)	(468,174)

**Note 19: 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 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.

**Note 20: Contingent assets and liabilities**

The Company and Group have no contingent assets or liabilities at the date of this report.



**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 21: Events occurring after balance date**

There are no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Note 22: Earnings/(loss) per share**

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
Net (loss) attributable to ordinary shareholders	(2,232,615)	(609,644)
	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares	86,278,755	9,919,250
	<b>(cents/share)</b>	<b>(cents/share)</b>
Basic and diluted earnings/(loss) per share	(2.6)	(6.2)

**Note 23: Share based payments**

Share based payments consists of shares and/or options issued to directors and consultants. The expense is recognised in the Statement of Comprehensive Income and Statement of Changes in Equity over the vesting periods of the securities issued.

During the year the Company issued 2,000,000 ordinary shares in payment of external consulting fees. The deemed value of these shares was \$0.014 per share. The Company also issued 2 ESOP options to two directors prior to the backdoor transaction. The ESOP options may be converted into 1,800,000 shares per ESOP option at an exercise price of 5 cents per share subject to a two year continued employment vesting condition. The options are outstanding at year end and no modifications were made to the arrangements during the year.

In addition, the backdoor listing expense of \$560,010 is a share based payment as described in Note 1, calculating the fair value of the shares issued by the accounting acquirer (Property Connect Inc). The fair value of the shares in the accounting acquirer (Property Connect Inc) is deemed based on the number of shares held in the accounting acquiree (Property Connect Holdings) prior to the backdoor transaction at estimated fair value. As no ASX share price was available prior to the transaction and there was significant share price volatility for a period after the transaction, the fair value is based on average ASX share price over the subsequent non-volatile period.

**Note 24: Prior Period Error**

The foreign exchange rate previously used to convert issued capital at 30 June 2015 was incorrect. As a result, issued capital at 30 June 2015 has been restated from \$606,486 to \$511,707 and a corresponding adjustment made to the foreign currency translation reserve. The restatement of the prior period has no effect on the net assets, total equity or comprehensive income previously reported.

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2016**

**Note 25: Expenses**

Loss from ordinary activities before income tax expense includes the following specific expenses:.

	<b>Consolidated</b>	
	<b>30 June 16</b>	<b>30 June 15</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
Audit and accounting fees	92,086	23,893
Consultants fees	73,438	68,918
IT/computer expenses	83,571	12,096
Legal	181,510	62,752
Marketing	106,626	38,390
Rental and occupancy expenses	83,399	25,339
Stock market expenses	46,999	-
Travel	128,317	57,965
	<hr/>	<hr/>

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

**DIRECTORS' DECLARATION**  
**YEAR ENDED 30 JUNE 2016**

The Directors of Property Connect Holdings Limited declare that:

- (a) in the Director's opinion the financial statements and notes on page 13 to 34, and the remuneration report disclosures that are contained in the Remuneration Report in the Director's Report, set out on page 10 to 11, are 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 2016 and of its performance, for the year ended on that date; and
  - (ii) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and
- (c) the remuneration disclosures that are contained in the Remuneration Report in the Director's report comply with Australian Accounting Standard AASB 124 '*Related Party Disclosures*', the *Corporations Act 2001* and the *Corporations Regulations 2001*; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line and a small dot.

**Peter Friend**  
Chairman

Dated this 4<sup>th</sup> day of October 2016.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PROPERTY CONNECT HOLDINGS LIMITED  
ABN 27 091 320 464**

**Report on the Financial Report**

We have audited the accompanying financial report of Property Connect Holdings Limited and its Controlled Entities (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2016, 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.

*Directors' Responsibility for the Financial Report*

The directors of Property Connect Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PROPERTY CONNECT HOLDINGS LIMITED  
ABN 27 091 320 464**

*Independence*

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

*Opinion*

In our opinion:

- a) the financial report of Property Connect Holdings Limited and its Controlled Entities is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to the financial report which indicates that the consolidated entity incurred a loss of \$2,232,615 and had cash outflows for operating activities of \$1,455,981 for the year ended 30 June 2016 and had a cash balance of \$276,124 as at 30 June 2016. As stated in Note 1, the consolidated entity is therefore dependent on raising additional capital to fund the proposed product development and implementation programme and current corporate overheads. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PROPERTY CONNECT HOLDINGS LIMITED  
ABN 27 091 320 464**

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 10 to 11 of the directors' report for the year ended 30 June 2016. 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.

*Opinion*

In our opinion the Remuneration Report of Property Connect Holdings Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.



ROD SHANLEY  
Partner

4 October 2016



PITCHER PARTNERS  
Sydney

**PROPERTY CONNECT HOLDINGS LIMITED**  
**FINANCIAL REPORT 30 JUNE 2016**

## ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange Limited Listing Rules and not disclosed anywhere else in this Financial Report.

### Shareholding

All shareholding details are in accordance with the Company's shareholder register as at 27 September 2016.

#### *(a) Distribution of equity securities*

Analysis of numbers of equity security holders by size of holding:

Category (Size of Holding)	Number of Shareholders	Percentage	Number of Shares
1 – 1,000	1,017	0.04	100,870
1,001 – 5,000	120	0.11	271,961
5,001 – 10,000	26	0.08	194,292
10,001 – 100,000	112	2.40	5,945,698
100,001 – over	220	97.37	241,180,380
	1,495	100	247,693,201

Holders of less than a marketable parcel total 1,202

#### *(b) Equity security holders*

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

Name of Shareholder	Ordinary Shares Held	
	Number	Percentage
TIMOTHY MANSON	63,720,170	25.73
WL FINANCE PTY LTD	18,354,934	7.41
MARLON INVESTMENTS PTY LTD <MARLON INVESTMENTS A/C>	12,290,387	4.96
GTT VENTURES PTY LTD	5,188,000	2.09
SISU AUSTRALIA PTY LTD <GAHA FAMILY A/C>	4,532,082	1.83
MR JOHN FREDERICK FORREST <FORREST A/C>	4,282,082	1.73
HEIDI KAARINA BOVA	4,130,902	1.67
ADGEMIS HOLDINGS PTY LTD	4,130,637	1.67
THE EVENTS DEPT PTY LIMITED <TAYLOR UNIT A/C>	4,044,257	1.63
MAXIMUM MEDIA POTENTIAL PTY LIMITED	3,932,642	1.59
MR WILLIAM GILBERT LOPEZ	3,016,684	1.22
MRS SOPHIE GRACE HILLEN	2,750,000	1.11
DAVHAL INVESTMENTS PTY LIMITED	2,668,000	1.08
PRW INVESTMENTS PTY LTD	2,227,520	0.90
INNER GLOW HOLDINGS PTY LTD <INNER GLOW HOLDINGS A/C>	2,214,261	0.89
ANTHONY DE LEEDE	2,141,041	0.86
ZINLINE PTY LTD <BOWDITCH SUPER FUNF A/C>	2,141,041	0.86
PAYNEHAM INVESTMENTS PTY LTD <PAYNEHAM INVESTMENT A/C>	2,093,139	0.85
APPLABS TECHNOLOGIES LIMITED	2,000,000	0.81
KCIRTAP SECURITIES PTY LTD <THE N & P GLOVAC FAMILY A/C>	1,916,667	0.77
	147,774,446	59.66

## ADDITIONAL ASX INFORMATION (continued)

### *(c)Substantial holders*

The names of the substantial shareholders listed in the Company's register are:

Name of Shareholder	Ordinary Shares Held	% holding
TIMOTHY MANSON	63,720,170	25.73
WL FINANCE PTY LTD	18,354,934	7.41

### **Voting rights**

All shares are ordinary shares and carry the same voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Options holders have no voting rights

There are no other classes of equity securities.