

# PROPERTY CONNECT HOLDINGS LIMITED

ABN 27 091 320 464

## Appendix 4E Preliminary final report Year ended 30 June 2017

Revenues from ordinary activities	Up	145%	To	\$2,655
Loss from ordinary activities after tax attributable to members	Down	9.9%	To	(\$2,523,200)
Net loss for the period attributable to members	Up	7.7%	To	(\$2,713,875)

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

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

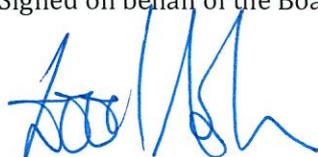
During the year, Property Connect appointed the chairman and owner of Century 21 Australasia, Mr Charles Tarbey, as the Chairman of Property Connect and it was agreed that select company owned offices in Victoria and Western Australia would undertake a trial of the LiveOffer technology in Australia.

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 further capital raise.

The net tangible asset (NTA) per security as at 30 June 2017 was (\$0.00086) (2016 \$0.0013).

The accounts are unaudited.

Signed on behalf of the Board of Property Connect Holdings Limited



David Nolan  
Director

Dated 30 August 2017

**PROPERTY CONNECT HOLDINGS LIMITED**

APPENDIX 4E 30 JUNE 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Consolidated	
	30 June 17 \$A	30 June 16 \$A
Revenues	2,655	171
Backdoor listing expense	-	560,010
Depreciation and amortisation	204,145	54,445
Employee benefits expenses	715,340	698,886
Finance expenses	708	51,546
Other expenses	1,605,662	929,899
	2,525,855	2,294,786
<b>(Loss) before income tax expenses from continuing activities</b>	<b>(2,523,200)</b>	<b>(2,294,615)</b>
Income tax benefits/(expenses)	-	-
<b>(Loss) for the year</b>	<b>(2,523,200)</b>	<b>(2,294,615)</b>
<b>Other comprehensive loss, net of tax</b>		
Exchange differences on translation of foreign operations	(190,675)	(225,075)
<b>Total other comprehensive (loss)</b>	<b>(190,675)</b>	<b>(225,075)</b>
<b>Total comprehensive (loss) for the year</b>	<b>(2,713,875)</b>	<b>(2,519,690)</b>

	Cents / Share	
	30 June 17	30 June 16
<b>Earnings per share</b>		
Basic earnings/(loss) per share	(0.497)	(2.66)
Diluted earnings/(loss) per share	(0.497)	(2.66)

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

**PROPERTY CONNECT HOLDINGS LIMITED**

APPENDIX 4E 30 JUNE 2017

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2017

	Consolidated	
	30 June 17 \$A	30 June 16 \$A
<b>Current assets</b>		
Cash & cash equivalents	886,001	276,124
Trade and other receivables	8,971	75,946
Total current assets	894,972	352,070
<b>Non-current assets</b>		
Intangibles	376,536	279,198
Other	22,122	18,845
Total non-current assets	398,658	298,043
<b>Total Assets</b>	1,293,630	650,113
<b>Current liabilities</b>		
Trade and other payables	293,210	295,067
Total current liabilities	293,210	295,067
<b>Non-current liabilities</b>		
Borrowings	-	-
Convertible Promissory Notes	-	-
Total non-current liabilities	-	-
<b>Total liabilities</b>	293,210	295,067
<b>Net assets/(liabilities)</b>	1,000,420	355,046
<b>Equity</b>		
Issued capital	7,630,672	4,510,399
Reserves	(666,608)	(474,068)
Accumulated losses	(5,963,644)	(3,681,285)
<b>Total equity</b>	1,000,420	355,046

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

**PROPERTY CONNECT HOLDINGS LIMITED**

APPENDIX 4E 30 JUNE 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR YEAR ENDED 30 JUNE 2017**

	<b>Consolidated</b>			
	<b>Issued capital</b>	<b>Foreign currency reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$A</b>	<b>\$A</b>	<b>\$A</b>	<b>\$A</b>
Balance 1 July 2016	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

	<b>Consolidated</b>			
	<b>Issued capital</b>	<b>Foreign currency reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$A</b>	<b>\$A</b>	<b>\$A</b>	<b>\$A</b>
Balance 1 July 2017	4,510,399	(474,068)	(3,681,285)	355,046
Other comprehensive (loss)		(190,675)		(190,675)
Movement FOREX translation reserve		(1,865)	240,841	238,976
(Loss) after income tax			(2,523,200)	(2,523,200)
Total recognised (expense) for the year		(190,675)	(2,523,200)	(2,713,875)
Shares issued	3,120,273			3,120,273
Balance 30 June 2017	7,630,672	(666,608)	(5,963,644)	1,000,420

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

**PROPERTY CONNECT HOLDINGS LIMITED**

APPENDIX 4E 30 JUNE 2017

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDING 30 JUNE 2017

	Note	Consolidated	
		30 June 17 \$A	30 June 16 \$A
<b>Cash flows from operating activities</b>			
Receipts from customers		1,775	151
Payment to suppliers and employees		(2,309,412)	(1,404,605)
Interest received		406	20
Finance costs paid		-	(51,546)
<b>Net cash (outflows) from operating activities</b>		<b>(2,244,131)</b>	<b>(1,455,980)</b>
<b>Cash flows from investing activities</b>			
Payments for Intangible assets		(279,824)	(4,340)
Increase in security deposits		-	(14,855)
Assets acquired		(4,954)	-
Cash acquired on acquisition		-	25,348
<b>Net cash inflows/(outflows) from investing activities</b>		<b>(284,778)</b>	<b>6,153</b>
<b>Cash flows from financing activities</b>			
(Repayments of)/proceeds from borrowings		-	(551,226)
Funds from convertible notes		-	218,182
Tax refunds		12,918	-
Accruals		(14,358)	-
Proceeds from share issue net of share issue costs		3,236,027	2,053,340
<b>Net cash inflows from financing activities</b>		<b>3,234,587</b>	<b>1,720,296</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>705,677</b>	<b>270,469</b>
Cash and cash equivalents at the beginning of the financial year		267,409	83
Foreign exchange effects		(87,085)	5,572
<b>Cash and cash equivalents at the end of the financial year</b>		<b>886,001</b>	<b>276,124</b>

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

## NOTES TO THE APPENDIX 4E

YEAR ENDED 30 JUNE 2017

### 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*

In 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.

#### *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 2017

## NOTES TO THE APPENDIX 4E

YEAR ENDED 30 JUNE 2017

### Note 2: Segment information

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

### Note 3: Earnings per share

	Consolidated	
	30 June 17 \$A	30 June 16 \$A
Net (loss) attributable to ordinary shareholders	(2,523,200)	(2,294,615)
No. of shares	No. of shares	
Weighted average number of ordinary shares	507,518,879	86,278,755
(cents/share)	(cents/share)	
Basic and diluted loss per share	(0.497)	(2.66)

### Note 4: Issued Capital

	No. of Shares	\$A
Opening balance	247,693,201	4,510,399
Foreign exchange effect	-	-
Conversion of convertible notes	333,333,333	2,000,000
Capital raising	131,818,289	1,450,000
Promoter shares issued	-	-
Shares issued in lieu of fees	9,090,909	100,000
Forex translation reserve	-	287,353
Share issue costs	-	(717,080)
Closing balance	721,935,732	7,630,672

### Note 5: Events occurring after balance date

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

Further, on 30 August Mike Langoulant resigned from the Property Connect Board. The Board thanks Mike for his contribution and wishes him the best for the future.

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 2017**

**Note 6: Going Concern and Solvency**

The consolidated entity incurred a loss of \$2,523,200 for the financial year ended 30 June 2017 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 2018. 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.