

JUNE 2017 QUARTERLY ACTIVITIES REPORT

Monday 31st July 2017: Property Connect Holdings Limited (ASX: PCH) ('Property Connect' or 'the Company') today lodged its Appendix 4C quarterly report of cash flows for the quarter ended 30th June 2017 with the Australian Securities Exchange (ASX).

Financial and Strategic Update

Property Connect reported a cash balance of \$0.88 million at 30th June 2017, following the raising during the quarter of \$1.55m by way of issuance of 141 million ordinary shares at \$0.011 per share.

Net operating cash flow for the quarter was \$(0.86 million) (previous quarter \$(0.52 million)), reflecting the ongoing development of Property Connect's LiveOffer™ product and market expansion activities.

Property Connect also takes this opportunity to update the market on developments regarding LiveOffer™ in Australia.

Charles Tarbey, Non-Executive Chairman said: "I am very pleased to be launching Property Connect's platform in Australia across the CENTURY21 network. We expect to commence transacting within 60 days in Victoria and Western Australia, as a starting point to what I believe is a truly unique and valuable proposition for tenants, landlords and managing agents. We have already arranged for properties to be listed via LiveOffer™ ahead of our scheduled transacting deadline, however we will use the lead up time to ensure that all requirements and updates are met, which includes feedback being received daily from selected Property Managers within my company owned offices. Australia is a global leader in the property sector, and we believe Property Connect can be the leading property technology solutions company for all market participants both here and globally."

The Company's Board has resolved to complete its development and trialling of the LiveOffer™ feature set in Australia with CENTURY21. This decision was done for several reasons, including the lack of necessary progress in developing the Company's revenue base in the US, including the disparate nature of geographic and customer engagement in the US for LiveOffer™. This contrasts with the fully focused development teams of both CENTURY21 and Property Connect in Australia working collaboratively to achieve accelerated and fully tested outcomes in trial environments. Property Connect felt such outcomes could not be achieved in the same time period or with the same precision over development, trial and customer feedback in the US environment. This approach leverages the unique relationship with CENTURY21.

This program of development activity will also be significantly more cost efficient to deploy in Australia given pre-existing development and deployment resources are in place for both CENTURY21 and Property Connect.

At this point in time, the Board has determined to focus on its Australian operations as opposed to the US, as they offer the best focus for the Company's limited resources in order to maximise shareholder returns.

As a result of the Australian development and trial decision above, Property Connect has decided to cease its market activities in the US at this point in time, following a strategic review by the Property Connect Board. The Board has determined that this focus on the Australian operations appropriately preserves cash and reduces costs, whilst validating market traction, and affords the best opportunity to maximise shareholder returns.

The Board has additionally resolved to defer directors' remuneration until further notice.

Dispute and future of PCI

As a result of the above decision, Property Connect has received a number of claims by the CEO of its US subsidiary, Property Connect International Limited ('PCI'), Tim Manson (being also a director of Property Connect). Property Connect continues to seek a mutually acceptable resolution to these claims. Negotiations are ongoing, incomplete and confidential. Property Connect will update the market as soon as such negotiations have concluded (whether by way of a settlement or otherwise), including the Company's approach to PCI's cessation of activities and potential wind down.

The US market opportunity remains substantial. The Property Connect Board will continue to explore future alternate expansion opportunities in that market via its international connections. It intends to pursue such opportunities only at the appropriate time, with a responsible commitment of its limited resources and with the required certainty of a commercial return on investment.

The Company continues to execute and pursue its stated ambitions for rental marketplace disruption in multiple markets and will also explore additional bolt-on opportunities as it sees fit.

Platform Update

The Company is pleased to update that technological development of the LiveOffer™ platform has progressed as anticipated. The Company has since the end of March 2017 been localising the platform for an Australian launch with CENTURY21 in Victoria and Western Australia, in parallel to discussions with other agency groups.

Additional scoping has been undertaken to expand the functionality beyond that of pure rental lease negotiations into the sphere of property management disruption. At present the Company is actively exploring additional opportunities in this space and other property technology services.

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Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning PCH's potential business development, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions are forward-looking statements. PCH believes that its forward-looking statements are reasonable; however, forward-looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

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About Property Connect

Property Connect has developed the LiveOffer™ technology, designed to create an easy, fair and transparent system under which potential tenants can negotiate the best offer on a rental property. Founded in 2012 and listed on the ASX in Australia, Property Connect enables leasing agents the opportunity to secure optimal leasing terms on each property, whilst providing transparency for tenants and landlords.

The company is listed on the Australian Securities Exchange (ASX:PCH).

www.propertyconnect.com