



Suite 404 234 George Street
Sydney NSW 2000

5 March 2020

RESPONSE TO APPENDIX 4C QUERY

In response to the questions set out in your letter of 24 February 2020, Property Connect Holdings Limited (ASX:PCH) advises as follows:

1. ***Does PCH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?***

PCH expects that it will continue to have negative operating cash flows for the time being.

2. ***Has PCH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?***

On 27 February 2020 JGM Property Investments Pty Ltd, a substantial shareholder of the company, advanced a loan of \$100,000 to the company. The loan is unsecured and has a two year term. Interest under the loan accrues at 4% per annum compounded annually and the loan and interest are due and payable on 27 February 2022. There are no other charges payable by the company under the loan and it is on arm's length terms.

3. ***Does PCH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?***

PCH expects to be able to continue its operations and meet its business objectives, namely, to maintain the Live Offer platform while it continues to seek to identify synergistic opportunities and transactions which will add shareholder value. Based on tighter fiscal control and further reductions in all non-essential operating expenses, PCH has adequate cash resources to continue its operations and meet its business objectives for at least the next 12 months.

4. ***Please confirm that PCH is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.***

PCH is complying with Listing Rule 3.1 and there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

5. ***Please confirm that PCH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PCH with delegated authority from the board to respond to ASX on disclosure matters.***

Confirmed.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'David Ash'.

David Nolan
Non-Executive Director



24 February 2020

Reference: ODIN14037

Mr David Nolan
Company Secretary
Property Connect Holdings Limited
Suite 404, 234 George Street
SYDNEY NSW 2000

By email: dnolansydney@gmail.com

Dear Mr Nolan

Property Connect Holdings Limited ('PCH'): Appendix 4C Query

ASX refers to PCH's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 31 January 2020 (the 'Appendix 4C').

ASX notes that PCH has reported:

- negative net operating cash flows for the quarter of \$179,000;
- cash at the end of the quarter of \$218,000; and
- estimated cash outflows for the next quarter of \$162,000.

It is possible to conclude, based on the information in the Appendix 4C, that if PCH were to continue to expend cash at the rate indicated by the Appendix 4C, PCH may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks PCH to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does PCH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has PCH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does PCH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that PCH is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that PCH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PCH with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that PCH considers may be relevant to ASX forming an opinion on whether PCH is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **6:00 AM AWST Friday, 28 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in PCH's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions

mentioned in Listing Rule 3.1A, PCH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to PCH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PCH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PCH's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)