

## UPDATE ON COMPANY STRATEGY

**5 October 2017:** Property Connect Holdings Limited (ASX:PCH) ('Property Connect' or 'the Company') today provides an update on the Company's operations and its immediate strategy

### **Property Connect, Inc ('PCI') – US Subsidiary**

As previously announced, in June 2017 the Company decided to discontinue operations in the US for the short term, due to limited traction, and instead to focus on completing the product for the Australian market to align revenues and costs. On 30 August 2017, the Company issued a letter of demand in respect to the FY2017 advances to PCI totalling \$A842,050 ("Loans"). It was anticipated at this time that the directors of PCI would dispute the Loans and steps will be taken to put PCI into the equivalent of administration or liquidation as part of such dispute (which has not occurred).

The Company had also previously made offers to acquire certain intellectual property of PCI on arm's length terms, which were rejected by the directors of PCI. The Company will continue to seek to acquire such intellectual property through negotiations with the Administrator or Liquidator (or equivalent) of PCI, as the Board of the Company determines is in the best interests of shareholders

The directors of PCI, Mr Tim Manson and Mr Sam Lee, have now both resigned from PCI. Both Mr Manson and Mr Lee have threatened legal action in relation to unpaid salaries and entitlements owed by PCI. The Company has obtained legal advice from its US counsel confirming it is not liable for the obligations of PCI, including in relation to these threatened claims.

Due to the inherent conflicts of Mr Manson as a Board member of the Company moving forward, the remaining PCH directors requested that Tim Manson resign from the Company, which Mr Manson rejected. Mr Manson is no longer CEO of the Company.

### **Property Connect**

The Company has been in trials with Century 21 for the past month, with several live offers waiting to transact in Victoria and Western Australia. The Company hopes to shortly announce additional trial partners in Australia.

The Company continues to iterate and enhance the platform in Australia, and is anticipating that within the next 1-2 months, the platform will be complete for a full scale Australian market launch.

The Company believes it is now well placed to enter into an IP licencing agreement with Century 21 and/or other leading real estate companies in the Australian market in the coming months and generate revenue within the next 6-12 months. The

Company will also investigate further opportunities to develop other real estate technology products in the Australian market, either principally or in conjunction with other parties. Depending upon the success of the Company's technology within the Australian market, it may also investigate entering other markets (including the US), subject to funding and other relevant circumstances at the time.

The Company will keep the market updated on the execution of its strategy.

**For more information, please contact:**

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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, Property Connect enables leasing agents the opportunity to secure optimal leasing terms on each property.

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

[www.propertyconnect.com](http://www.propertyconnect.com)

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