



**28 October 2016**

ASX Market Announcement  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

## **APPENDIX 4C QUARTERLY REPORT AND COMPANY UPDATE**

N1 Holdings Limited (ASX: N1H) (“**N1**” or the “**Company**”) is pleased to present this Appendix 4C quarterly report and update on its activities for the period 1 July to 30 September 2016.

### **Company activities update**

- Acquisition of Sydney Boutique Property (SBP) in McMahons Point
- SBP acquisition includes profitable rent roll and sales pipeline
- SBP acquisition expected to be EBITDA positive from FY2017
- \$80 million Loan Book acquisition to boost annual revenue by \$132,000
- Positive contribution by Migration Services of \$80,000
- First N1 Centre opened in Chatswood
- Appointment of Chief Operation Officer

The September Quarter was a busy period for N1 as the Company executed on its strategy of diversification and growth. The acquisition of Sydney Boutique Property, located in the blue-chip suburb of McMahons Point, by N1 Realty was an example of the growth strategy that brings immediate revenue and growth prospects via the accompanying rent roll and sales pipeline. SBP will add 162 rental management agreements to the N1 Realty rental management pool. By incorporating SBP into the N1 Realty model, N1 anticipates significant administration cost savings and at the same time, a number of cross-sale opportunities for the N1 group.

During the quarter, N1 also acquired an \$80 million loan book on terms and valuation that should see the deal to be EBITDA positive from FY2017. Once again the acquisition of the rent roll was an example of the company strategy to acquire revenue enhancing businesses and then leveraging them further via the cross-sale strategy within the group.

The first N1 Centre was opened in Chatswood, representing the Company’s true one-stop shop financial services offering to its growing customer base. N1 Migration also added to the overall result with \$80,000 revenue resulting from migration services fees. This is a relatively new business for N1 which the Company expects to continue to grow in FY2017.

To facilitate the expansion of the N1 business arms that now includes N1 Realty and other recent acquisitions, the Company has appointed a Chief Operating Officer, Jacqueline Wang, former Head of Business Development for N1, to ensure smooth and effective integration within the N1 business group.

The activity over the quarter illustrates that N1 continues to invest into and expand the business and team to capture market share. Normalised operational cash flow has improved by 27% compared to June 2016 quarter, with customer receipts at \$1.069 million. In the September quarter the company changed its PAYG reporting frequency from quarterly to monthly, therefore the staff costs outflow in this quarter has included five months PAYG withholding payments, which is expected to resume to a normal level in the next quarter.

**CEO Ren Hor Wong commented. “In the last quarter, N1 continued to invest in a diversification strategy that compliments the various business entities within the group. Investments such as acquisitions via N1 Realty, acquisitions via N1 Loans and costs associated with N1 Centre**

*account for the bulk of investment cash outflow.*

*These acquisitions are expected to further strengthen the company cash flow position given the nature of recurring income from rent roll and trail books, current assets of N1, and the continuing cumulative effect of new rental managements and new settled loans that add to the group revenue stream.”*

**Corporate**

N1's cash position as at 30 September 2016 was \$2.59 million.

**For further information, please contact:**

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

N1 Holdings Limited

**ABN**

44 609 268 279

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,069	1,069
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(380)	(380)
(c) advertising and marketing	(82)	(82)
(d) leased assets	(7)	(7)
(e) staff costs	(662)	(662)
(f) administration and corporate costs	(360)	(360)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(17)	(17)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	13	13
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(412)</b>	<b>(412)</b>

Notes to Item 1.2 (e) – Company has changed its PAYG Withholding reporting frequency from quarterly to monthly. The amount in this item includes 5 months PAYG Withholding payments. Among the total amounts, \$122,258 is related to June 2016 quarter and \$84,861 is related to July 2016 and August 2016.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(281)	(281)
(b) businesses (see item 10)	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(544)	(544)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(825)</b>	<b>(825)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,853	3,853
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(412)	(412)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(825)	(825)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(26)	(26)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,590</b>	<b>2,590</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,595	2,857
5.2	Call deposits		1,000
5.3	Bank overdrafts	(5)	(4)
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,590</b>	<b>3,853</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

168

-

Payments to director and director related parties above include:

- Salary and super to executive directors of \$126,085; and
- Services provided by director related entities of \$41,813. Costs are determined on an arm's length basis.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

N/A

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(292)
9.3 Advertising and marketing	(126)
9.4 Leased assets	(7)
9.5 Staff costs	(628)
9.6 Administration and corporate costs	(262)
9.7 Other (provide details if material)	(8)
<b>9.8 Total estimated cash outflows</b>	<b>(1,335)</b>

Notes to Item 9.5 (e) – Company acquired 100% of interest in a real estate business. Settlement occurred on 21 October 2016. The estimated staff costs include salary and associated cost of the three full time employees in the newly acquired business.

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



28 October 2016

Sign here: .....  
(CEO)

Date: .....

Print name: Ren Hor Wong

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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