

APPENDIX 4C FOR QUARTER ENDED 31st DECEMBER 2018

Wednesday 30 January 2019: 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 31 December 2018 with the Australian Securities Exchange (ASX).

Financial and Strategic Update

Property Connect reported a cash balance of \$337,000 at 31 December 2018.

Net operating cash flow for the quarter was (\$153,000), representing the Company's ongoing operational activities and investment in the LiveOffer Leasing and Auction platforms. During the quarter the Company raised \$135,000 in a placement to strategic investors (**Placement**) and received a further \$344,000 in a research and development refund, which have assisted the Company with its cash position.

Operational costs were elevated during the period due to delayed timing of payment of expenses incurred during the September quarter, which were paid in the December quarter. As a result of the operational changes already implemented, the Company expects expenses to fall significantly in the coming quarters.

The Company does not forecast receiving sales revenue in the coming quarter.

The Company continues its operational review following the appointment of new management and technical resources. As part this process, the Company has initiated discussions with a leading Australian university to access resources to support further ongoing development of the technical aspects of the LiveOffer platforms necessary for commercialisation. The operational review is expected to be completed in the current quarter to ensure the platform functionality and navigation are optimised for our target markets.

Following shareholder approval on 18 January 2019, the Company's shares were consolidated on 3:1 basis on 24 January 2019 (**Consolidation**). As previously announced, the Company intends to undertake a fully underwritten Rights Issue on a 1 for 2 basis at \$0.002, being an 11% discount to the Placement price, to raise a further \$461,000 (**Rights Issue**). The Rights Issue was unable to proceed until the Consolidation was completed and will now be undertaken as soon as practicable. The Company will inform shareholders of the timetable for the Rights Issues as soon as it is finalised.

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

PROPERTY CONNECT HOLDINGS LTD

ABN

22 091 320 464

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(23)	(54)
(d) leased assets		
(e) staff costs	(72)	(132)
(f) administration and corporate costs	(403)	(500)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	345	345
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(153)	(341)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) businesses (see item 10), net cash acquired from subsidiary		
(c) investments		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	(28)	(115)
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(32)	(119)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	135	135
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)		
3.10	Net cash from / (used in) financing activities	135	135

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	387	662
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(153)	(341)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(119)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	135	135

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	337	337

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	337	387
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	337	387

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
92
-

Remuneration and fees paid to Directors excluding GST.

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
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8. Financing facilities available <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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	21
9.4 Leased assets	-
9.5 Staff costs	60
9.6 Administration and corporate costs	188
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	269

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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.



Sign here:

Date: 30 January 2019

Non-Executive Director

Print name: David Nolan

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.