

14 February 2019

ASX Announcement

NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by Property Connect Holdings Limited ACN 091 320 464 (ASX Code: PCH) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**).

The Company is undertaking a non-renounceable Rights Issue to shareholders of 225,120,247 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.002 each to raise up to \$450,000 before costs (**Rights Issue** or **Offer**). The Offer is fully underwritten by JGM Property Investments Pty Ltd ACN 065 805 692 (**JGM Property Investments**) and David Nolan (**Mr Nolan**) (JGM Property Investments and Mr Nolan are together the **Underwriters**).

The Rights Issue will be offered to shareholders registered at 7pm (AEDT) on 19 February 2019 with a registered address in Australia or New Zealand (**Eligible Shareholders**) on the basis of 1 New Share for every 2 fully paid ordinary share in the capital of the Company (**Share**) held.

The offer document in relation to the Offer (**Offer Document**) with personalised entitlement and acceptance forms is expected to be despatched to Eligible Shareholders on or around 21 February 2019.

The Company confirms that:

1. the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act;
4. as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7)(d) of the Act; and
5. the potential effect the issue of New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the interest of Eligible Shareholders in taken up their entitlements. Accordingly:
 - a. If all Eligible Shareholders take up their entitlements under the Offer, the issue of New Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;

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- b. Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement;
- c. Any New Shares not taken up by Eligible Shareholders will be subscribed for and issued to the Underwriters in accordance with the Underwriting Agreement. JGM Property Investments is not a related party of the Company for the purposes of the Act. Mr. Nolan, as a Director, is a related party of the Company for the purpose of the Act and the ASX Listing Rules. However, Mr. Nolan's participation in the Offer as an underwriter does not require shareholder approval as the exception in section 210 of the Act (being the arm's length exception) applies for the purposes of Chapter 2E of the Act and ASX Listing Rule 10.12 Exception 2 applies for the purposes of ASX Listing Rule 10.11. JGM Property Investments and Mr. Nolan are not associates for the purpose of the Act. Any New Shares issued to an Underwriter in addition to its or his entitlement will increase that Underwriter's voting power in the Company. The below table sets out the potential effects on control assuming (A) all entitlements are taken up by Eligible Shareholders, and (B) no entitlements are taken up by Eligible Shareholders:

Shareholder	Number of Shares (assuming all entitlements are taken up by Eligible Shareholders)	Percentage interest	Number of Shares (assuming no entitlements are taken up by Eligible Shareholders)	Percentage interest
Existing Shareholders (excluding Underwriters)	574,282,012	83.73%	386,355,433	56.33%
Mr. Nolan (including his associates)	29,705,658	4.33%	44,803,876	6.53%
JGM Property Investments (including its associates)	81,875,658	11.94%	254,704,019	37.14%
TOTAL	685,863,016	100%	685,863,016	100%

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Further information in relation to the potential effect the issue of New Shares will have on the control of the Company, and the consequences of that effect, is set out in the Offer Document, which was announced by the Company on the date of this notice.

Yours sincerely

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

David Nolan
Non-Executive Director
Property Connect Holdings Limited

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