

5 April 2019

ASX Limited
Attention: Penelope Reid**Email: ListingsCompliancePerth@asx.com.au****Appendix 3Y – Change of Director’s Interest Notice Query**

The company refers to the letter dated 2 April 2019 from ASX titled “Property Connect Holdings Limited (‘PCH’): Appendix 3Y – Change of Director’s Interest Notice Query”.

As requested, we respond to your questions below:

1. Please explain why the Appendix 3Ys were lodged late.

The Appendix 3Ys related to the following share issues in respect of each director:

- David Nolan, Paul Tosi and Michael Carter – acceptance of pro rate entitlements under a Non-Renounceable Rights Issue (**NRRI**) announced to ASX on 14 February 2019 for shares issued to accepting shareholders (including directors) on 11 March 2019 in accordance with Listing Rule 7.2 Exception 1 and Listing Rule 10.12 Exception 1 (**Director Entitlement Issue**)
- David Nolan – in addition to the Director Entitlement Issue, shares issued under the terms of an underwriting agreement in relation to the NRRI, as announced to ASX on 14 February 2019 and issued under Listing Rule 7.1 Exception 2 and Listing Rule 10.12 Exception 2 (**Nolan Underwriting Issue**).

The Rights Issue Offer Document stated that the directors intended to take up their entitlements in full. The shares issued under the Director Entitlement Issue were issued at the same time as shares issued to all accepting shareholders of the company under the NRRI and included in the shares stated in the Appendix 3B dated 12 March 2019. The Company Secretary (David Nolan) inadvertently failed to also release Appendix 3Ys for the Director Entitlement Issue. Following completion of the placement of the shortfall shares under the NRRI as announced to ASX on 27 March 2018, the Company Secretary prepared an Appendix 3Y for the Nolan Underwriting Issue and realised the oversight in failing to release Appendix 3Ys for the Director Entitlement Issue within 5 business days as required under Listing Rule 3.19A.2. This was rectified in the Appendix 3Ys released to the market on 1 April 2019.

The Appendix 3Y for the Nolan Underwriting Issue was released within 5 business days of the issue of the shares in compliance with Listing Rule 3.19A.2.

2. What arrangements does PCH have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

Under the terms of his director appointment letter, each director of the company is obliged to provide immediately to the Company Secretary all information about himself which may be required for the purpose of enabling the company to comply with its disclosure and reporting

obligations (including, without limitation, the company's disclosure obligations under Listing Rule 3.19A).

Further, section 9 of the company's securities trading policy states "When a director, officer, employee or similar and/or their related parties (which includes family members), buys or sells securities in the Company, the Company Secretary must be notified immediately."

In this instance no breach of the director appointment letters or the company's securities trading policy occurred. The Company Secretary has notified the directors of the oversight and the importance of compliance with the Listing Rules. The Company Secretary has over 20 years legal experience advising ASX listed companies and has been a director a number of ASX listed companies in the last 10 years. In addition, the Chairman has extensive experience as a company director.

The company believes that the oversight will not be repeated but has emphasised to all directors the significance of, and need for compliance, with Listing Rule 3.19A along with all other ASX Listing Rules and applicable laws, as well as the company's securities trading policy.

3. If the current arrangements are inadequate or not being enforced, what additional steps does PCH intend to take to ensure compliance with Listing Rule 3.19B?

The company believes its current arrangements are adequate and, other than the oversight, are being enforced.

Yours faithfully,



David Nolan
Company Secretary and Non-Executive Director

For personal use only



2 April 2019

Mr David Nolan
Property Connect Holdings Limited
Level 26, 1 Bligh Street
SYDNEY NSW 2000

By email:

Dear Mr Nolan

Property Connect Holdings Limited ('PCH'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. PCH's Appendix 3Ys released on the ASX Market Announcements Platform ('MAP') on 1 April 2019 for Mr David Nolan, Mr Paul Tosi and Mr Michael Carter (the 'Notices');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *"The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director."*
3. Listing rule 3.19B which states that:

"An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director."

The Notices indicate that a change in Mr Nolan, Mr Tosi and Mr Carter's notifiable interest occurred on 11 March 2019. It appears that the Notices should have been lodged with ASX by 18 March 2019. Consequently, PCH may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Nolan, Mr Tosi and Mr Carter may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds PCH of its contract with ASX to comply with the Listing Rules. In the circumstances, PCH should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Ys were lodged late.
2. What arrangements does PCH have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does PCH intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than **9 am WST on 5 April 2019**.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

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

Yours sincerely

Penelope Reid
Adviser, Listings Compliance (Perth)