



27 July 2018

Appendix 4C quarterly report

27 July 2018 – N1 Holdings Limited (ASX: N1H or the “Company”) is pleased to present this Appendix 4C quarterly report for the period from 1 April to 30 June 2018 (**Q4**).

N1 reported record cash receipt quarter

N1 is pleased to announce close to neutral cashflow (\$1,000) in the latest quarter which has been contributed to by strong commercial lending growth and significant costs savings in streamlined operations.

Cash receipts from operating activities improved from \$757,000 in the previous quarter to \$1,197,000 in Q4.

Net cash from operating activities improved from (\$481,000) in the previous quarter to (\$1,000) in Q4.

Cash receipts from operating activities YTD decreased from \$4,233,000 in FY17 to \$3,986,000 in FY18.

The above figures demonstrate successful execution of N1’s diversification strategy, while N1 continues to benefit from the synergy between economies of scale, cross-selling and streamlined operations post IPO.

N1 intends to continue the growth momentum in commercial lending after a six month trial period, with a major push to raise capital for the launch of the One Lending Fund (**Fund**).

N1 partners with Ausvigor in lending fund management

N1 Venture, a subsidiary of N1 Holdings and an AFSL holder, is to partner with Ausvigor to launch the One Lending Fund.

The One Lending Fund focuses on secured lending to small and medium enterprises (**SMEs**). N1 commenced a commercial lending trial in December 2017 which has proven to be successful with zero defaults or arrears to date. N1 attributes these positive results to its strength in credit advice and security risk management. Furthermore, the product has been wildly popular with N1’s existing customer base from which a significant number of applications have been received, with N1 being in the enviable position of having received more credit applications than it has been prepared to accept. N1’s product has found its niche in the Australian Asian small business community. Over \$238,000 has been receipted in commercial lending revenue in the June 2018 quarter (unaudited figure).

The One Lending Fund will be a wholesale managed investment scheme. Ausvigor will be the trustee and N1 will be the manager of the Fund. The Fund will raise capital which will be lent to N1’s SME customers. It is anticipated that the Fund will have an initial size of up to \$5 million with the eventual aim to scale up the size of the Fund to \$25 million. The Fund will lend to SMEs and these loans will be backed by director personal guarantees and security in the form of commercial and/or residential properties. N1 originated \$24 million (unaudited) of commercial lending in Q4 FY18 and held a mortgage book of \$781 million as at June 2018, with 86% of mortgage trail income retained in the Company due to its PAYG model.

For more information, please contact:

Ren Hor Wong

Chairman & Chief Executive Officer

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About N1 Holdings Limited (ASX: N1H)

N1 Holdings Limited is a business, financial and property services firm that operates under the brand “N1 Loans”, “N1 Realty”, “N1 Migration” and “N1 Venture”. N1 as an ACL and AFSL holder aims to deliver the complete value chain of a business, individual and real estate financial transactions, and possesses the unique strength of having a strong position in the niche Australian Asian community market. N1’s current services span across commercial lending, residential property loans, business finance, equipment finance, property sales and rental management. N1 consistently delivers robust growth across multiple complementary business entities, aiming to establish itself as a market leader in customer satisfaction with its unique and diversified business model.

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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 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,197	3,986
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(190)	(888)
(c) advertising and marketing	(24)	(174)
(d) leased assets	(4)	(7)
(e) staff costs	(705)	(2593)
(f) administration and corporate costs	(313)	(1287)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	45
1.5 Interest and other costs of finance paid	(71)	(167)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	(28)	(12)
1.8 Net cash from commercial lending	122	122
1.9 Other (provide details if material)	12	(61)
1.10 Net cash from / (used in) operating activities	(1)	(1,036)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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Notes to Item 1.2 (e) – Additional June 2018 staff cost of \$113,320 was paid on 2 July 2018 due to 30 June 2018 being a non-business day. Staff cost of \$113,968 paid on 3 April 2018 was from 31 March 2018 quarter due to 31 March 2018 being a non-business day.

Notes to Item 1.5 – Additional June 2018 interest of \$47,156 was paid on 2 July 2018 due to 30 June 2018 being a non-business day. Interest of \$ 38,271 paid on 3 April 2018 was from 31 March 2018 quarter due to 31 March 2018 being a non-business day.

Notes to Item 1.8 – Company raised \$1,606,740 for commercial lending and lent \$1,485,000 during June 2018 quarter.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(19)	(42)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(2)	(45)
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)	413	(209)
2.6 Net cash from / (used in) investing activities	392	(296)

Notes to Item 2.5 – Commercial loans of \$413,000 were repaid in June 2018 quarter.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	1,000
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	-	625
3.6 Repayment of borrowings	(5)	(191)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(5)	1,434

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	622	907
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1)	(1,036)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	392	(296)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	1,434
4.5	Effect of movement in exchange rates on cash held	1	-
4.6	Cash and cash equivalents at end of quarter	1,009	1,009

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	1,009	623
5.2	Call deposits		
5.3	Bank overdrafts	-	(1)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,009	622

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	186
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	

Payments to director and director related parties above include:

- Salary and super to executive directors of \$155,752; and
- Services provided by director related entities of \$30,248. Costs are determined on an arm's length basis.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
3,087	3,087
-	-
-	-

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.

Facility 1 Limit: \$711,960 (Secured, Original loan amount is \$1,000,000)
 Lender: National Australia Bank
 Interest rate: 5.755% pa
 Facility 2 Limit: \$180,000 (Unsecured)
 Lender: Tin Family Super Fund
 Interest rate: 10% pa
 Facility 3 Limit: \$200,000 (Unsecured)
 Lender: Li Meng
 Interest rate: 7% pa
 Facility 4 Limit: \$200,000 (Unsecured)
 Lender: Yongyi Liang
 Interest rate: 10% pa
 Facility 5: Convertible Notes of \$200,000 with face value of \$0.20 per Convertible Note
 Lender: Yoke Meng Chan
 Interest rate: 7% pa
 Facility 6: Convertible Notes of \$100,000 with face value of \$0.20 per Convertible Note
 Lender: Ven Tan Pty Ltd Superannuation Fund
 Interest rate: 7% pa
 Facility 7: Convertible Notes of \$70,000 with face value of \$0.20 per Convertible Note
 Lender: Peng Yeow Yong and Teng Heong Gan
 Interest rate: 7% pa
 Facility 8: Convertible Notes of \$1,000,000 with face value of \$0.20 per Convertible Note
 Lender: Siew Bee Tong
 Interest rate: 7% pa
 Facility 9 Limit: \$225,000 (Secured. Original loan amount is \$225,000)
 Lender: National Australia Bank
 Interest rate: 5.665% pa
 Facility 10 Limit: \$200,000 (Unsecured)
 Lender: Shengsheng Chen
 Interest rate: 10% pa

No additional facility after quarter end.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(145)
9.3	Advertising and marketing	(51)
9.4	Leased assets	(1)
9.5	Staff costs	(666)
9.6	Administration and corporate costs	(335)
9.7	Other (provide details if material)	(92)
9.8	Total estimated cash outflows	(1,290)

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		

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:
(CEO)

Date: 27/07/2018

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.