



GoConnect Limited  
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22 February 2017

ASX Compliance Pty Ltd  
20 Bridge Street  
Sydney  
NSW 2000

By Email

Attention: John Johansson

Dear John,

We refer to your letter of 16 February 2017. We are pleased to provide our responses as set out in this letter. The numbers below correspond with the numbers to the questions in your letter.

1. Yes. However, GCN is continuing to assist Go Green Holdings on establishing a number of strategic partnerships and to significantly expand the company's Virtual Reality / Augmented Reality ("VR/AR") business portfolio. It is expected that Go Green Holdings will generate sufficient revenue during the financial year 2016-17 from its VR/AR businesses to become self-sufficient in its financing before 30 June 2017.
2. GCN's primary long term corporate objective has been to establish the company as a major new media company. That objective is now supported by development of its China businesses via Go Green Holdings. It is important to view Go Green Holdings' business plan and GCN's strategy in perspective.

With the restructuring of GCN's businesses in place, and the substantial progress made of the businesses of Go Green Holdings, GCN has not only derived substantial savings from its reorganization of the past 36 months, the company is now revenue focused, China focused, and has at the same time, been transformed by the substantial asset value and earnings prospects via its holding in Go Green Holdings.

To improve operating cash flows and maximize shareholder wealth, GCN will focus on the following developments in the next 12 months:

- Expanding the uctv.fm IPTV platform to the VR/AR environment in conjunction with Go Green Holdings;
- Continue to improve on the uctv.fm IPTV network by aggregating and co-producing branded entertainment and infotainment content for VR and AR distribution together with Go Green Holdings;

- Assisting Go Green Holdings to develop its China businesses in line with Chinese government policies and initiatives on agricultural product branding and marketing on entertainment media including traditional satellite TV, IPTV and VR/AR media in China;
- Reducing liabilities of GCN so as to be debt free within 2 years;

These developments are expected to deliver positive operating cash flows and increase enterprise value of GCN.

GCN has taken the following steps to raise further cash to fund its operation and reduce its liabilities:

- GCN has realised additional sale proceeds for cash from sale of Go Green Holdings shares, post 30 June 2016 and up to the date of this report, of more than \$200,000. The total value of Go Green Holdings shares sold by the Company to date is \$1.2 million.
- 5 million shares in Go Green Holdings are currently on offer to realize \$7.5 million (“the Offer”) which, upon completion, will be more than sufficient to meet the statutory demand. Professional and offshore investors are responding positively to the Offer. GCN has received further commitments and indicative commitments to the Offer since the release of the March 2017 quarterly report that exceed the \$175,000 projected cash outflows for the June 2017 quarter.
- GCN is able to draw down on an unused credit facility of \$495,000 from Sino Investment Services Pty Ltd.

The Directors of GCN are proactively working on all of the above matters directly and with its partners. The Directors believe that GCN will be successful in its Offer and will be able to continue its operation and meet its business objectives.

3. Yes, please refer to responses to the questions above.
4. Yes, GCN is in compliance with Rule 12.1 and 12.2, please also refer to responses to the questions above.
5. Yes. GCN is in compliance with Rule 3.1.
6. GCN confirms that the answers above have been authorised and approved by the board of GCN.

Yours faithfully

Richard Li  
Executive Chairman



16 February 2017

Richard Li  
Chairman  
GoConnect Limited  
Level 1, 951 Nepean Highway  
Bentleigh VIC 3204

By email: richard.li@goconnect.com.au

Dear Mr Li

**GoConnect Limited (“GCN”): Appendix 4C Query**

I refer to GCN’s updated Appendix 4C quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform on 13 February 2017 (the “Appendix 4C”) and the announcement ‘Re: SSI Loan Agreement – Background’ lodged on 15 February 2017 (the “SSI Loan Agreement Announcement”).

ASX notes that GCN has reported:

- negative net operating cash flows for the quarter of \$227,149;
- cash at the end of the quarter of \$787; and
- estimated cash outflows for the next quarter of \$175,000.

Further, ASX notes:

- The SSI Loan Agreement Announcement confirms the Supreme Court of Victoria’s judgment handed down on 14 December 2016 rejected GCN’s application to set aside the statutory demand from the liquidator of Sino Strategic International Ltd (SSI) for repayment of \$1,589,316.24 owed by GCN to SSI under a loan agreement;
- GCN appear to not have generated operational cash inflows since financial year 2014; and
- Each Appendix 4C lodged by GCN since early 2015 appear to indicate that GCN is reliant on selling shares in its Go Green Holdings investment to generate cash inflows.

It is possible to conclude, based on the information in the Appendix 4C and the additional information stated above, that if GCN were to continue to expend cash at the rate indicated by the Appendix 4C, GCN may not have sufficient cash to continue funding its operations. Further, GCN does not appear to have the means to settle the statutory demand from the SSI liquidator. In view of that, ASX asks GCN to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does GCN expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

2. Has GCN taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and satisfy the statutory demand and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does GCN expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Does GCN believe it is in compliance with Listing Rules 12.1 and 12.2 and, if so, on what basis?
5. Please confirm that GCN is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule that has not already been released to the market.
6. Please confirm that GCN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GCN with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that GCN considers may be relevant to ASX forming an opinion on whether GCN is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

#### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 09:30 am AEDT on Wednesday, 22 February 2017.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GCN's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [john.johansson@asx.com.au](mailto:john.johansson@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to GCN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Please note GCN's disclosure obligations are not confined to, nor are they necessarily satisfied by, answering the questions set out in this letter. GCN has an obligation to disclose information under Listing Rule 3.1 even though its securities have been suspended since 3 October 2016 due to its failure to lodge audited accounts for the year ended 30 June 2016 (refer Guidance Note 8, section 4.23).

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

Yours sincerely,

*[Sent electronically without signature]*

John Johansson

Listings Adviser

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