



GoConnect Limited
 ACN 089 240 353
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 Bentleigh, Victoria 3204
 Australia
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31 January 2018

Company Announcement Office
 Australian Securities Exchange Limited

Dear Sir/Madam

Re: Appendix 4C Quarterly Report – Q/E 31 December 2017

The directors of GoConnect Limited (“GCN” or “the Company”) are pleased to present the attached December 2017 quarterly report.

	December 17 quarter	December 16 quarter	change	%
Proceeds from sale of equity investment	9,000	177,000	-168,000	-95%
Payment for operating expenses	-28,476	-227,116	198,640	-87%
Settlement of liabilities	-110,000	-	-110,000	N/A
Net operating and investing cash flows	-129,476	-50,116	-79,360	158%

In line with the Company’s business plan and corporate strategy, the December 2017 quarter saw substantial reduction in operating expenses which fell by 87% relative to that of the previous corresponding quarter of 2016, and the Company has continued to pay down liabilities owed to external creditors. These actions have supported the continuing profitability of GCN for the third consecutive year.

During the December 2017 quarter, GCN continued to market the offer of shares in Go Green Holdings (“GGH”) and assisted GGH to implement its Virtual Reality / Augmented Reality (“VR/AR”) business plan. GGH investigated, and tested a number of online content distribution platforms (“Over The Top or OTT platforms”) based in India, Hong Kong, and the US, with an objective to license one of these platforms for distribution of GGH’s multi-channel VRTV network. GGH has also curated compelling contents in a number of genres in 2D and VR for eventual distribution on the OTT platform.

During the quarter, GCN completed settlement with a major creditor and extinguished liabilities of over \$1.6 million, continuing the implementation of the Company’s business plan to be debt free to external creditors. As a result of this settlement, Net External Liabilities defined as liabilities excluding liabilities of which settlement agreements were already executed with external creditors, associate debt from Sino Investment Services Pty Ltd, and

outstanding director fees, were reduced to \$479,769 as at 31 December 2017, resulting in substantial improvement to GCN's financial health since 30 June 2017. This Net External Liabilities compares to total liabilities of \$4,418,507 as at 30 June 2017. As at 31 January 2018, Net External Liabilities have been further reduced by \$114,769 to \$365,000. It is the objective of GCN that Net External Liabilities will be completely extinguished during the current financial year. The current financial year will see GCN delivering the third consecutive year of profits with the half year to 31 December 2017 expected to deliver in excess of \$1.2 million profit after tax.

Establishing a comprehensive VR/AR ecosystem

The founders of GGH have identified the most valuable business of VR/AR being social networking. A successful social network requires two critical components: compelling contents to generate user stickiness, and viral communications between users.

GGH is implementing a two-pronged strategy, online and offline.

Online, compelling contents will be delivered by the establishment of a multi-channel VRTV network branded as TVGoVR. Viral communications will be enabled by GGH's proprietary AR hologram chat application GoARChat. TVGoVR + GoARChat is being developed as one combined application that will allow the user to switch between VRTV and AR hologram Chat.

GGH is launching a 12-channel VRTV network initially with contents it has curated in sports, Hollywood entertainment, health and wellbeing, business communications (ABNGoVR), and celebrity branded products VRTV shopping (Dream Factory VR). These channels will be distributed globally on the company's OTT platform to be licensed from a major OTT platform. Contents will be provided to users as a pay per view and/or monthly subscription service.

Additional revenue will be generated from VR advertising enabled by the proprietary VR advertising technology co-owned GGH and AdCrack Media "GoVRMedia". Product placement revenue will also be generated by digitally inserting product images into contents.

GGH is aggregating compelling contents for TVGoVR as well as in the long term co-producing original contents.

GoARChat is expected to generate a critical mass user base within 2 years of launch, upon which it will be established as the next generation online advertising platform.

Offline, the same VR contents curated by GGH will be licensed to VR cinemas and VR theme parks for additional revenue generation.

Offline, GGH is establishing together with its partner Activate Media Events the next generation Out Of Home ("OOH") outdoor advertising display platform GoHoloMedia, enabling advertisers to brand their products with holographic displays across China firstly in cinema lobbies.

Revenue Model

GGH and GCN expect to generate revenue over the next 12 months from pay per view 2D and VR contents. In the longer term, with the deployment of the completed versions of GoARChat + TVGoVR, many new revenue sources will be added to GGH/GCN.

GCN has continued to offer its GGH shares to professional and offshore investors to generate revenue and additional working capital, to reduce liabilities, and to finance its expenses.

It is expected that net cash flows to be generated from proceeds in GGH share sale, less the much reduced overheads and liabilities of the Company relative to the past, and further supported by unused credit facility from Sino Investment Services Pty Ltd, will be more than sufficient to support GCN's cash requirements. It is also expected that GGH itself will commence generation of revenue during the current financial year from VR/AR businesses to become self-sufficient in its financing.

Yours sincerely

Richard Li
Chairman

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

GOCONNECT LIMITED

ABN

14 089 240 353

Quarter ended (“current quarter”)

31 December 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
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	-	-
(d) leased assets	-	-
(e) staff costs	-	(27,600)
(f) administration and corporate costs	(28,476)	(168,506)
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	-	-
1.8 Other – Settlement of liabilities	(110,000)	(235,000)
1.9 Net cash from / (used in) operating activities	(138,476)	(431,106)

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	9,000	223,450
(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	9,000	223,450

3. Cash flows from financing activities	-	-
3.1 Proceeds from issues of shares		
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	130,519	205,619
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	130,519	205,619

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
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	945	4,025
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(138,476)	(431,106)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	9,000	223,450
4.4 Net cash from / (used in) financing activities (item 3.10 above)	130,519	205,619
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,987	1,987

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	Previous quarter \$A
5.1 Bank balances	1,987	945
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)	1,987	945

6. Payments to directors of the entity and their associates	Current quarter \$A
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	

6.1 includes remuneration paid to directors

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

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	2,000	1,291
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.		

Unsecured loan facility provided by Sino Investment Services Pty Ltd ("SIS")

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	-
9.4 Leased assets	-
9.5 Staff costs	40
9.6 Administration and corporate costs	120
9.7 Other – repayment of liabilities	140
9.8 Total estimated cash outflows	300

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:

Date: 31 January 2018.

(Director/~~Company secretary~~)

Print name: Richard Li

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.