



GoConnect Limited

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Company Announcement Office
Australian Securities Exchange Limited

Dear Sir/Madam

Re: GoConnect taps into e-commerce market in China

GoTrek Pty Ltd, a wholly owned subsidiary of GoConnect Ltd, has executed a new Master Merchant Agreement with International Payment Solutions (HK) Ltd ("IPSHK") to license the IPSHK payment system to enable e-commerce transactions to be conducted globally, with an initial focus on China. IPSHK is a wholly owned subsidiary of Hong Kong listed Universal Technologies Holdings Limited. Along with Tenpay of Tencent Holdings and Alipay of Alibaba Group, IPSHK is one of the major licensed third party payment gateway providers of China. The new agreement executed with IPSHK, after an application review process by IPSHK, enables GoConnect and its sub-merchants to implement an e-commerce strategy to tap into the massive e-commerce market in China. GoConnect's sub-merchants will initially include the 40% GoConnect owned Go JLJ Entertainment's JJ5TV.com for sale of music tracks, music ringtone, and music ringback downloads as well as JJ5TV branded merchandise; and later on, for GoConnect's wholly owned Ecoconnectaustralia.com, for sale of solar thermal air conditioning systems. China Mobile reportedly generates more than RMB 22 bn (US\$3.5bn) a year from music services. This is mostly from selling ringback tones.

China recently overtook the USA as the biggest e-commerce market in the world and is set to be worth US\$541 billion by 2015. China's e-commerce market has grown 71% annually since 2009 with 49% of its population making an online purchase last year. This figure is estimated to rise to an unprecedented 71% by 2017 and GoConnect is pleased to be entering this high growth online business market.

The Chinese e-commerce market is predominantly young, with 60% below the age of 30, and affluent. Spending is highest in China's tier one cities and those earning more than 5,000 Yuan (US\$800) a month are more likely to buy online. It is also a market dominated by mobile devices, with 464 million of its 591 million Internet users choosing to go online via a smartphone or wireless device.

Execution of the IPSHK Master Merchant Agreement enables GoConnect to implement an essential online e-commerce function to our "in-house" sub-merchants as well as to sub-merchants external to

the GoConnect Group. In addition to online product sales revenue, GoConnect will generate transaction fee income from this e-commerce function. Extension of GoConnect's existing businesses into e-commerce in China positions the Company for an expanded revenue base and demonstrates that for Go JIJ Entertainment, prospective revenue from JIJ5TV.com goes well beyond sponsorship and advertising sales.

Yours sincerely

Richard Li
Executive Chairman