

**GoConnect Limited**  
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 Australia  
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31 July 2014

Company Announcement Office  
 Australian Securities Exchange Limited

Dear Sir/Madam

**Re: Appendix 4C Quarterly Report – Q/E 30 June 2014**

The directors of GoConnect Limited (“GCN” or “the Company”) are pleased to present the attached June 2014 quarterly report with the following additional comments:

	<b>June 14 quarter</b>	<b>March 14 quarter</b>	<b>change</b>	<b>%</b>
Cash receipts from customers	-	44,346	-44,346	-100%
Payments for staff costs	-46,000	-43,000	-3,000	7%
Payments for other working capital	-186,780	-181,479	-5,301	3%
<b>Net operating cash flows</b>	<b>-232,780</b>	<b>-180,133</b>	<b>-52,647</b>	<b>29%</b>

	<b>6 months to 30 June 14</b>	<b>6 months to 30 June 13</b>	<b>change</b>	<b>%</b>
Cash receipts from customers	44,346	28,413	15,933	56%
Payments for staff costs	-89,000	-191,376	102,376	-53%
Payments for other working capital	-368,259	-203,897	-164,362	81%
<b>Operating cash flows excluding R&amp;D Tax Offset Rebate</b>	<b>-412,913</b>	<b>-371,722</b>	<b>-41,191</b>	<b>11%</b>
Other receipt - R&D Tax Offset Rebate	-	283,543	-283,543	-100%
<b>Net operating cash flows</b>	<b>-412,913</b>	<b>-88,179</b>	<b>-324,734</b>	<b>368%</b>

Due to delay of customer receipts receivable in the June quarter and while the Company focused on generating revenue and cashflow from various China projects, negative net operating cashflow for the June 2014 quarter increased by 29% relative to the March quarter.

With the Company's shift in business focus to China, GCN is continuing to look for savings and to reduce the overheads of its Australian operation. Expenses have been minimized as previously advised. Excluding the effect of R&D tax rebate, net operating cash outflows had minor increases of 11% as a 6-monthly comparison, but including the R&D tax rebate effect for the 6 months to 30 June 2014, outflows were significantly impacted compared to the corresponding 6 months of 2013. The financial outcome of GCN, however, as to revenue and

expenses and in particular revenue, can be expected to improve for the rest of 2014 due to the business developments in China, which are discussed below.

Following the release made on 25 July 2014 to the ASX on GoConnect repositions corporate strategy to China, further progress has been made in the following businesses:

Go JLJ Entertainment, which GCN owns 40% interest, and DDB China have decided to partner with one of China's top 4 (of 42) national TV broadcasters. DDB China has contracted with Go JLJ Entertainment, to secure US\$150 million of sponsorship and advertising sales for JJ5TV.

The partnership with a top national TV broadcaster is the final building block to be put in place to support DDB China's sales effort. The TV broadcaster is also the China licensee of a major international brand of reality TV show and is planning to combine JJ5TV with this international brand. The strategy is to ensure top ratings for the two TV shows with content enriched and cross-promoted for the two shows. Once this strategy is formalised and implemented, DDB China will be able to confirm a number of sponsorships for JJ5TV and to generate early revenue and cashflow for the project.

Jermajesty Holdings (GCN owns 20%) China CEO has advised that since the announcement of the new Special Economic Zone in Dalian which includes the Dalian New Airport Project of Jermajesty Holdings, he has identified additional projects for Jermajesty Holdings to secure within the Special Economic Zone. Negotiation is also at an advanced stage for Jermajesty Holdings to secure a 25% free carried interest in a Arts and Entertainment Centre project in Tianjin city in North East China, a Provincial City of China with 14 million people. This is a significant development that occupies land of 40,000 sq meters in the Special Economic Zone of Tianjin. In return for the 25% interest, Jermajesty Holdings will license the Jackson Life Museum and Entertainment Centre concept and provide design plan to the project.

On GCN's IPTV network uctv.fm, the substantial media distribution infrastructure of uctv.fm has attracted the interest of a number of branded content providers in the US and Australia who are keen to establish their own IPTV channels by licensing the channels from uctv.fm. GCN has now executed a term sheet with a major US party and owner of significant branded content. A Joint Venture agreement will follow to provide the basis for the formation of an equally owned partnership company to operate the branded IPTV channel and an associated e-commerce business focusing on the China market. The partnership company is expected to generate revenue from media sales and online sales of branded products. GCN has already launched the branded IPTV channel on a pilot basis and a smartphone online shopping mall has already been developed by GCN for the partnership company.

Based on revenues expected to be generated from the launch of JJ5TV to a substantial national audience in China, milestone revenue to be achieved by DDB China under the MOU with Go JLJ Entertainment, and revenue from other businesses of GCN, together with the increased unused credit facility of over \$791,350, GCN has sufficient capital for the next two quarters and beyond.

Yours sincerely

Richard Li  
Chairman

*Rule 4.7B*

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

GOCONNECT LIMITED

ABN

14 089 240 353

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (12 months) \$A
1.1	Receipts from customers*	-	220,682
1.2	Payments for		
	(a) staff costs	(46,000)	(247,870)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(186,780)	(604,123)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net operating cash flows</b>		<b>(232,780)</b>	<b>(631,311)</b>

**\*Customer receipts have not included sales receivables of \$82,500 in the June 2014 quarter but which will be received in the next quarter.**

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A	Year to date (12 months) \$A
1.8 Net operating cash flows (carried forward)	(232,780)	(631,311)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(535)
1.12 Loans repaid by other entities	124	124
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	124	(411)
<b>1.14 Total operating and investing cash flows</b>	(232,656)	(631,722)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from issue of convertible notes	-	-
1.18a Proceeds from borrowings	232,114	631,088
1.18b Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Transaction cost	-	-
<b>Net financing cash flows</b>	232,114	631,088
<b>Net increase (decrease) in cash held</b>	(542)	(634)
1.21 Cash at beginning of quarter/year to date	823	915
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter *</b>	281	281

\* Refer to comments in the cover letter to this report and unused credit facilities of \$791,350

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

	Amount available \$A	Amount used \$A
3.1 Loan facilities	2,500,000	1,708,650
3.2 Credit standby arrangements		

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+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
4.1 Cash on hand and at bank	281	823
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	281	823

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: .....  
(Director/~~Company secretary~~)

Date: 31 July 2014

Print name: Richard Li

+ See chapter 19 for defined terms.

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a)- policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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