

Appendix 4E

Preliminary final report Year ended on 30 June 2014

Item 1

Name of entity

GOCONNECT LIMITED

ACN or equivalent company reference

089 240 353

Current reporting period

30 June 2014

Previous corresponding period

30 June 2013

Item 2

RESULTS FOR ANNOUNCEMENT TO THE MARKET

2.1 Revenues from continuing operations	Up	18.73%	to	472,946
2.2 Loss from continuing operations after tax attributable to members	Down	34.39%	to	(1,398,729)
2.3 Net loss for the period attributable to members	Down	34.39%	to	(1,398,729)

2.4 Dividends distributions

No dividends are proposed or paid during the reporting period and the previous corresponding period.

For explanation relating to item 2.1; 2.2 and 2.3 please see **item 12**

Item 3 – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current period \$	Previous corresponding period \$
Revenue from continuing operations		472,946	398,335
Virtual Internet Service network operating costs		(55,315)	(82,534)
Employee benefits expense		(1,104,814)	(1,613,656)
Depreciation and amortisation expenses		(32,146)	(67,634)
Finance costs		(249,118)	(56,713)
Impairment loss		-	(30,796)
Office rent expense		(226,515)	(202,668)
Other expenses		(203,767)	(476,247)
Share of net loss of associates		-	-
Loss before income tax		(1,398,729)	(2,131,914)
Income tax (expense)		-	-
Loss for the year		(1,398,729)	(2,131,914)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,398,729)	(2,131,914)
Loss attributable to:			
Member of the parent entity		(1,398,729)	(2,131,914)
Non-controlling interest		-	-
Total comprehensive loss attributable to:			
Member of the parent entity		(1,398,729)	(2,131,914)
Non-controlling interest		-	-
Loss per share		Cents	Cents
From continuing operations			
Basic loss per share	2	(0.1)	(0.2)
Diluted loss per share	2	(0.1)	(0.2)

The notes to this statement are contained in the accompanying Attachment.

Item 4 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Current period \$	Previous corresponding period - \$
ASSETS			
Current assets			
Cash and cash equivalents		159	915
Trade and other receivables		296,018	194,965
Inventories		-	1,452
Other financial asset		20	20
Other current assets		-	-
Total current assets		296,197	197,352
Non-current assets			
Investments accounted for using the equity method	4	40	40
Intangible asset	5	4,336,471	4,422,387
Plant and equipment		5,152	18,814
Total non-current assets		4,341,663	4,441,241
Total assets		4,637,860	4,638,593
Current liabilities			
Trade and other payables		4,781,664	4,079,087
Short-term provisions		66,330	74,133
Total current liabilities		4,847,994	4,153,220
Non-current liabilities			
Borrowings		1,710,123	1,127,562
Long-term provisions		3,228	4,567
Total non-current liabilities		1,713,351	1,132,129
Total liabilities		6,561,345	5,285,349
Net liabilities		(1,923,485)	(646,756)
Equity			
Issued capital	6	45,041,170	45,041,170
Reserves		772,000	650,000
Accumulated loss	7	(47,761,155)	(46,362,426)
Parent interest		(1,947,985)	(671,256)
Non-controlling interest		24,500	24,500
Total capital deficiency		(1,923,485)	(646,756)

The notes to this statement are contained in the accompanying Attachment.

Item 5 – CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Current period \$	Previous corresponding period - \$
Cash flows from operating activities			
Receipts from customers		220,682	80,491
R&D Tax Offset Rebate		-	283,543
Payments to suppliers and employees		(852,526)	(1,074,292)
Interest received		-	174
Finance costs		-	(5,592)
Net cash used in operating activities	8(B)	(631,844)	(715,676)
Cash flows from investing activities			
Investment in subsidiaries		-	(788)
Loans to other entities		(411)	(5,577)
Payment for property, plant and equipment		-	(6,579)
Net cash used in investing activities		(411)	(12,944)
Cash flows from financing activities			
Proceeds from issue of shares		-	500,000
Proceeds from borrowings		631,088	227,929
Net cash provided by financing activities		631,088	727,929
Net increase (decrease) in cash held		(756)	(691)
Cash at beginning of financial year		915	1,606
Cash at end of financial year	8(A)	159	915

The notes to this statement are contained in the accompanying Attachment.

Item 6

Details of individual and total dividends or distributions and dividend or distribution payments – N/A

Item 7

Details of any dividend or distribution reinvestment plans – N/A

Item 8

A statement of retained earnings showing movements – See Note 7 in the accompanying Attachment

Item 9

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	(0.64) cents	(0.52) cents

Item 10

Details of entities over which control has been gained or lost during the period – See Note 3 in the accompanying Attachment

Item 11

Details of associates and joint venture entities – See Note 4 in the accompanying Attachment

Item 12

Other significant information

The consolidated operating revenue of GoConnect Limited group (“the Group” or “GoConnect”) increased by 18.73% to \$472,946 for the financial year compared to \$398,335 in the previous year.

The consolidated operating loss after income tax of the Group decreased by 34.39% to \$1,398,729 for the financial year compared to a loss of \$2,131,913 in the previous year.

REVIEW OF OPERATIONS

Highlights

- Overheads and costs declined by more than \$733,000 in past year.
- Revenue improved by 18.7%.
- Repositions business to China.
- Agreements in respect of a number of significant branded TV channels on uctv.fm are being finalised and are expected to be signed off in coming weeks.
- Go JLJ Entertainment has reached initial agreement on the terms of cooperation with the national satellite TV station on the broadcasting and production of the JJ5TV.com reality TV show.
- Jermajesty Holdings has also successfully negotiated a 25% equity interest free of capital contribution in the Tianjin Arts and Entertainment development project (“Tianjin Project”).
- The Tianjin Project will involve an investment estimated by Jermajesty Holdings’ development partner of US\$200 million. The development partner and a consortium of investors organised by the partner will be funding the investment.

Implementation of the corporate restructuring plan by amalgamating the businesses of GoConnect Australia, PLW Entertainment, and Undercover into a single business unit since the previous financial year has continued to provide substantial savings in operating costs to the Group. More importantly, the restructuring led to savings in costs and overheads and, accordingly, contributed substantially to the reduction of over \$733,000 in Group operating loss for the financial year

compared to the previous financial year. Total number of employees decreased from 30 at June 2011 to 8 full time employees as at 30 June 2014.

As part of the corporate restructuring, GoConnect has recently relocated its office from Prahran to East Melbourne, Victoria, which has led to ongoing annual saving in the order of approximately \$120,000 in rental expense.

During the financial year under review, the Group dedicated its resources and management time almost exclusively to building up its China businesses of Jermajesty Holdings and Go JLJ Entertainment to the extent that management is now in a position to refocus the Group's business strategy on the China market and on 25 July 2014, GoConnect announced to the ASX:

“GoConnect repositions corporate strategy

The decision to shift the company's business focus from Australia to China is that GoConnect has over 14 years built up significant technical and commercial know how ideally suited to Chinese enterprises. Over the past 12 months, Jermajesty Holdings and Go JLJ Entertainment have made progress on a scale far in excess of what is possible in Australia. GCN's management has built trusted relationships in China over almost 30 years and these relationships are key to the future success in China of Jermajesty Holdings and Go JLJ Entertainment. These relationships of trust enable significant time savings for the development of GCN's new projects.”

GoConnect's China focused strategy is expected to derive for the Group substantial earnings and asset value in the coming years.

Internet Protocol TV (IPTV)

uctv.fm

GoConnect's IPTV network uctv.fm continues to expand its audience reach and program mix via in-house production and repackaging of third party content. High quality content providers are keen to leverage off GoConnect's already established global IPTV distribution infrastructure and this advantage has enabled GoConnect to attract the interest of significant branded content providers to establish their own branded TV channels on uctv.fm. Agreements in respect of a number of significant branded TV channels on uctv.fm are being finalised and are expected to be signed off in coming weeks. These branded TV channels are expected to generate significant revenue and audience traffic for uctv.fm and GoConnect will retain 50% equity interest of these channels.

While the traditional media industry continues to lose audience rapidly and is in turmoil. The Group will continue to expand its audience reach and to explore opportunities of collaborating with the traditional media industry in Australia and China. GoConnect's IPTV channel uctv.fm is available globally via LG connected TV to over 50 million households while including LG Blu-Ray players and set-top boxes, the uctv.fm audience reach via various LG devices is estimated to exceed 100 million households. uctv.fm is also available on all brands of smartphones globally. The smartphone distribution infrastructure of uctv.fm adds an audience reach estimated to far exceed what is available on LG devices.

Go JLJ Entertainment (40% owned by GoConnect)

Having established such a significant global audience reach since 2010 for uctv.fm, GoConnect has embarked on a quality content strategy since the past 18 months to ensure that uctv.fm is able to capture a significant portion of the global audience reach to support advertising sales. Accordingly, a number of content partnerships were established during the last two financial years including the

establishment of Go JLJ Entertainment Pty Ltd, together with Jermaine Jackson and his associate. GoConnect has a 40% equity interest in Go JLJ Entertainment.

GoConnect and Go JLJ Entertainment have finalised the development of JJ5TV.com music competition, powered by GoConnect's Soundcheck online music competition platform. JJ5TV.com's mission is to discover a band to be called "Five" in China modelled on the legendary Jackson 5. Jermaine Jackson, the original lead singer of the Jackson 5, will personally mentor and coach the finalist contestants of JJ5TV.com who will compete in a final event to determine which winning band of 5 members will become the band called Five. JJ5TV.com reality TV show will be distributed worldwide on uctv.fm and within China on national satellite TV by one of the top 4 satellite TV stations in China, on online TV via sohu.com and on a network of over 100,000 out-of-home digital TV screens with over 600 million daily audience. The collective viewing audience is estimated to be 1 billion people in China. Go JLJ Entertainment has reached initial agreement on the terms of cooperation with the national satellite TV station on the broadcasting and production of the JJ5TV.com reality TV show and a detailed agreement is expected to be entered into in coming weeks. Soon as this agreement is executed, DDB China, our advertising agent responsible for securing sponsors for JJ5TV.com, will be in a position to finalise a number of commercial sponsors for JJ5TV.com.

Go JLJ Entertainment has during the financial year entered into a framework agreement with the state owned Guangxi Satellite TV, one of China's major free to air TV broadcasters. Under the agreement, Go JLJ Entertainment will partner with Guangxi Satellite TV to jointly develop "China Hollywood City" in the Guangxi Province.

The project, to be named **China Cinematic Crystal City ("CCCC")** has been approved by the Guangxi Provincial Government. The original concept of Crystal City was conceived and developed by Jermaine Jackson, founding shareholder and Chairman of Go JLJ Entertainment.

The objective of CCCC is to establish a fully functional centre to foster the development and expansion of China's movie and TV industry. CCCC will **be the go to place where Hollywood and China's entertainment industry stakeholders meet to do business**. CCCC will embrace a range of activities including movie production facilities, TV studios, green screen studios, soundstages, post-production, CG and animation facilities for films and TV shows, a school for film, TV and professional acting. CCCC will become the official headquarters for the global movie industry in China and the place to produce movies for the rapidly expanding Chinese entertainment market. It will also provisionally host a 5-star Jermajesty Hotel & Resort, a Jackson Life Museum and Entertainment Centre, a movie based theme park, a Walk of Fame, commercial and residential developments. Upon completion of development of CCCC, Go JLJ Entertainment expects to derive substantial asset value and revenue from CCCC.

Jermajesty Holdings (20% owned by GoConnect)

GoConnect's close working relationship with Jermaine Jackson in the development of JJ5TV.com led to the incorporation of Jermajesty Holdings Pty Ltd in April 2013. GoConnect has 20% equity interest in Jermajesty Holdings. The company will generate revenue from hospitality management contracts and will own significant assets from equity in selective projects.

During the financial year, Jermajesty Holdings executed an agreement with Dalian Central City Property Development Co Ltd ("Dalian Central City") for an equal partnership in the development of the Dalian New Airport project on land that belongs to Dalian Central City. The project is a mixed-use development proposed by Jermajesty holdings of initially 400,000 sq meters, now extended to

660,000 sq meters, of commercial, hospitality and wellness, entertainment, retail, serviced apartments, and other complementary properties.

Jermajesty Holdings has also successfully negotiated a 25% equity interest free of capital contribution in the Tianjin Arts and Entertainment development project (“Tianjin Project”) located in Tianjin city in close proximity to the Tianjin Science and Technology University. The Tianjin Project is located in an area with a daily traffic flow of over 1 million people daily. The Tianjin Project will involve an investment estimated by Jermajesty Holdings’ development partner of US\$200 million. The development partner and a consortium of investors organised by the partner will be funding the investment. Jermajesty Holdings will license the Jackson Life Museum and Entertainment brand to the Tianjin Project as well as developing the Jackson Academy of Performing Arts within the project.

Jermajesty Holdings is currently working with Sino Investment Services Pty Ltd on the listing of the company on the Over The Counter market on a Chinese stock exchange. Upon the successful listing of Jermajesty Holdings, GoConnect will be able to demonstrate the significant market value of its 20% stake in Jermajesty Holdings.

The Group is proactively working on all of the above matters directly and with its partners. The directors are confident that the Group will be successful in the above matters and, together with availability of existing credit facility, completion of the capital raising announced to ASX on 4 August 2014, and an improved generation of revenue from the expanding suite of online properties and from our China businesses, have accordingly prepared the financial report on a going concern basis.

FUTURE DEVELOPMENT, PROSPECTS AND BUSINESS STRATEGIES

GoConnect’s primary corporate objective is to establish the company as a major IPTV media company. As well as promoting the Group’s existing properties on our own IPTV network, the Group’s strategy has also been to make use of the advertising inventory generated as a currency and our intellectual properties to partner with and secure equity in businesses that are synergistic with our IPTV media businesses or can make use of our marketing platforms on IPTV.

With the restructuring of GoConnect’s businesses in place, the Group has derived substantial savings from the reorganization of the past 24 months. The restructured GoConnect is now more cost effective, more revenue focused, and is benefiting from a range of opportunities from a wider and more integrated range of media products both here in Australia and in China, with an expanded revenue and asset base.

To improve operating cash flow and maximise shareholder wealth, the Group will focus on the following developments in the next 12 months:

- Launching the Jermaine Jackson Presents 4 part event in China successfully with a number of major sponsors and media distribution partners. In this regard, DDB China, one of the top 10 advertising agents in China, is working closely with Go JLJ Entertainment to secure these sponsors.
- Expanding the uctv.fm IPTV distribution platforms;
- Capitalising on the uctv.fm IPTV network and continue to improve its value by aggregating and producing branded entertainment and infotainment content;

- Utilising uctv.fm to provide media marketing support to businesses that are synergistic to the GoConnect business model, and
- Assisting Jermajesty Holdings and Go JJJ Entertainment to implement and expand their China projects, and revenue generating businesses.

These developments, together with the current businesses of the Group are expected to deliver a positive cash flow and increase enterprise value of the Group.

Item 13

For foreign entities, which set of accounting standards is used in compiling the report – N/A

Item 14

A commentary on the results for the period – See Item 12

- 14.1** *The earnings per security and the nature of any dilution aspects - See Note 2 in the accompanying Attachment*
- 14.2** *Returns to shareholders including distributions and buy backs – N/A*
- 14.3** *Significant features of operating performance - See Item 12*
- 14.4** *Segment information - See Note 9 in the accompanying Attachment*
- 14.5** *A discussion of trends in performance - See Item 12*
- 14.6** *Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified - See Item 12*

Item 15

Audit status of the accounts

This report is based on accounts that are in the process of being audited.

Richard Li
Executive Chairman

29 August 2014
Date

NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME, FINANCIAL POSITION AND CASH FLOWS

1. BASIS OF PREPARATION

The Preliminary Final Report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Preliminary Final Report does not include all the notes of the type normally included in an Annual Financial Report.

Accordingly, this report is to be read in conjunction any other public announcements made by the Group during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

2. LOSS PER SHARE

	Current period Cents	Previous corresponding period - Cents
Basic loss per share	(0.1)	(0.2)
Diluted loss per share	(0.1)	(0.2)

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

Current period Number	Previous corresponding period - Number
978,514,133	960,817,263

3. CONTROLLED ENTITIES

a. Controlled Entities Consolidated

Name of the above controlled entities	Class of shares	Country of incorporation	% owned 2014	% owned 2013
GoConnect Australia Pty Ltd	ordinary	Australia	100	100
GoTrek Pty Ltd	ordinary	Australia	100	100
TBS TV Pty Ltd	ordinary	Australia	100	100
Undercover Network Pty Ltd	ordinary	Australia	-	100
Uctv.fm Pty Ltd	ordinary	Australia	100	100
Asia IPTV Pty Ltd	ordinary	Australia	100	100
PLW Entertainment Pty Ltd	ordinary	Australia	-	100
First Mongolian Marketing Ltd	ordinary	BVI	51	51
EcoConnect Australia Pty Ltd	ordinary	Australia	100	100

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Current period	Previous corresponding period - \$
	\$	
Investment in an associate	40	40

Investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity. Information relating to the associate is set out below.

Name of company	Principal activity	Ownership interest		Consolidated carrying amount	
		2014 %	2013 %	2014 \$	2013 \$
Go JLJ Entertainment Pty Ltd	Music Entertainment	40 % Fully paid ordinary shares	40 % Fully paid ordinary shares	40	40
Pharmasafe Pty Ltd	Sale of Chinese herbal remedy "Liver Bioguard"	40 % Fully paid ordinary shares	40 % Fully paid ordinary shares	-	-

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D)

	Current period	Previous corresponding period - \$
	\$	
Movements in carrying amount of investment in an associate		
Carrying amount at the beginning of the financial year	40	-
New investment during the year	-	40
Share of loss after income tax	-	-
Carrying amount at the end of the financial year	40	40
Results attributable to associates		
Loss before related income tax	-	-
Income tax expense	-	-
Loss after related income tax	-	-
Retained loss attributable to associates at the beginning of the financial year	-	-
Retained loss attributable to associates at the end of the financial year	-	-
Reserve attributable to associates	-	-
Share of associates' contingent liabilities	-	-
Share of associates' expenditure commitments	-	-
Current assets of associates	1,960	1,960
Non-current assets of associates	-	-
Total assets of associates	1,960	1,960
Current liabilities of associates	87,761	87,761
Non-current liabilities of associates	-	-
Total liabilities of associates	87,761	87,761
Net liabilities of associates	(85,801)	(85,801)

5. INTANGIBLE ASSETS

	Current period	Previous corresponding period - \$
	\$	
Goodwill		
Cost	4,336,471	4,336,471
Accumulated impaired losses	-	-
Net carrying value	4,336,471	4,336,471

5. INTANGIBLE ASSETS (CONT'D)

	Current period	Previous corresponding period - \$
	\$	
Management Contracts		
Cost	111,561	111,561
Accumulated amortisation and impairment	(111,561)	(111,561)
Net carrying value	-	-
Recording Agreements		
Cost	214,791	214,791
Accumulated amortisation and impairment	(214,791)	(128,875)
Net carrying value	-	85,916
Total intangibles	4,336,471	4,422,387

	Goodwill	Management	Recording
	\$	\$	\$
Year ended 30 June 2013			
Balance at the beginning of year	4,336,471	43,192	128,874
Additions	-	-	-
Amortisation charge	-	(12,396)	(42,958)
Impairment losses	-	(30,796)	-
Closing value at 30 June 2013	4,336,471	-	85,916
Year ended 30 June 2014			
Balance at the beginning of year	4,336,471	-	85,916
Additions			
Amortisation charge			
Impairment losses			(85,916)
Closing value at 30 June 2014	4,336,471	-	-

Intangible assets, other than goodwill, have finite useful lives. Future amortisation charges for intangible assets will be included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an infinite life.

	Current period	Previous corresponding period - \$
	\$	
6. ISSUED CAPITAL		
Ord		
Issued and paid up capital		
978,514,133 (2013: 978,514,133) ordinary shares fully paid	45,041,170	45,041,170

6. ISSUED CAPITAL (CONT'D)

Movements in ordinary share capital

Date	Details	Number of shares
1 July 2012	Opening balance	929,346,337
23 August 2012	Option exercised	10,000,000
9 October 2012	Option exercised	10,000,000
17 December 2012	Conversion of Convertible Note	28,140,750
17 December 2012	Conversion of Convertible Note	1,027,046
30 June 2013	Balance	978,514,133

Date	Details	Number of shares
	No share issue during the Current period	
30 June 2014	Balance	978,514,133

	Current period	Previous corresponding period - \$
	\$	
7. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(46,362,426)	(44,230,512)
Net loss attributable to members of GoConnect Ltd	(1,398,729)	(2,131,914)
Accumulated losses at the end of the year	(47,761,155)	(46,362,426)

8. NOTES TO THE STATEMENTS OF CASH FLOWS

(A) RECONCILIATION OF CASH

For the purpose of the statements of cash flows, cash includes cash at bank and on hand, and deposits with banks or financial institutions, net of bank overdrafts. Cash at the end of the reporting period is shown in the statement of financial position as:

	Current period	Previous corresponding period - \$
	\$	
Cash at bank and on hand	159	915

8. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(B) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING LOSS AFTER INCOME TAX		
Operating loss after income tax	(1,398,729)	(2,131,914)
<i>Non-cash flows in operating loss</i>		
Depreciation and amortisation	32,146	67,634
Impairment loss	-	30,796
Share based remuneration	122,000	308,616
Bad and doubtful debt	-	87,790
<i>Changes in operating assets and liabilities, net of the effects of purchase and disposal of controlled entities</i>		
(Increase) / decrease in operating receivables	(101,052)	(7,478)
(Increase) / decrease in royalty advances	-	(4,546)
(Increase) / decrease in inventories	1,452	-
(Increase) / decrease in other operating assets	-	8,388
Increase / (decrease) in operating payables	721,481	913,583
Increase / (decrease) in provisions	(9,142)	11,455
<i>Net cash used in operating activities</i>	(631,844)	(715,676)

9. OPERATING SEGMENTS

All of the Group's business activities were focused on the development and delivery of IPTV products. All assets held by the Group during the reporting were located within Australia. Revenue attributable to external customers, based on the location of the external customer, is disclosed below.

	Current period	Previous corresponding period - \$
	\$	
Australia	472,946	398,335