

Appendix 4D

Half year report for period ended on 31 December 2014

Introduced 1/1/2003.

Item 1

Name of entity

GOCONNECT LIMITED

ABN or equivalent company reference

089 240 353

Current reporting period

31 December 2014

Previous corresponding period

31 December 2013

Item 2

RESULTS FOR ANNOUNCEMENT TO THE MARKET

2.1 Revenues from ordinary activities	DOWN	96.88%	to	9,280
2.2 Profit (Loss) from ordinary activities after tax attributable to members	UP	393.13%	to	(4,961,834)
2.3 Net profit (loss) for the period attributable to members	UP	393.13%	to	(4,961,834)
2.4 Dividends distributions				
No dividends is proposed or paid during the reporting period and the previous corresponding period.				

Item 3

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	(0.67 cents)	(0.61 cents)

Item 4

Details of entities over which control has been gained or lost during the period – N/A

Item 5

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

Item 6

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

Item 7

Details of associates and joint venture entities

+ See chapter 19 for defined terms.

Appendix 4D
Half year report

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

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 holding 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	-	-

	Current period \$A	Previous corresponding period - \$A
Movements in carrying amount of investment in an associate		
Carrying amount at the beginning of the period	40	40
Share of profits (loss) from ordinary activities after income tax	-	-
Carrying amount at the end of the period	40	40
Results attributable to associates		
Profits (Loss) from ordinary activities before related income tax	-	-
Income tax expense	-	-
Profits (Loss) from ordinary activities after related income tax	-	-
Retained profits (loss) attributable to associates at the beginning of the period	(34,400)	(34,400)
Retained profits (loss) attributable to associates at the end of the period	(34,400)	(34,400)
Reserve attributable to associates	-	-
Share of associates' contingent liabilities	-	-
Share of associates' expenditure commitments	-	-

⁺ See chapter 19 for defined terms.

Item 8

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

Item 9

Audit status of the accounts

This report is based on the Half Year Report that has been reviewed

Richard Li
Executive Chairman

27 March 2015
Date

+ See chapter 19 for defined terms.

GOCONNECT LIMITED

ACN 089 240 353

AND CONTROLLED ENTITIES

HALF-YEAR REPORT

31 DECEMBER 2014

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This interim financial 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 with the annual report for the year ended 30 June 2014 and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

The directors of GoConnect Limited (“the Parent Entity” or “the Company”) present their report together with the consolidated financial statements of the Company and its controlled entities (together “the Consolidated Entity” or “the Group” or “GoConnect”) for the half-year ended 31 December 2014.

DIRECTORS

The names of directors who held office during the half-year and up to the date of this report are:

- Mr. Richard Li (Chairman)
- Mr. Philip Chan
- Mr. Jermaine L Jackson (Resigned as a director effective on 15 January 2015)
- Mr. Joe Fekete (Resigned as a director and company secretary on 27 February 2015 and approved by the board on 4 March 2015)
- Mr Kevin Wong (appointed 27 March 2015)

COMPANY SECRETARY

- Mr Eric Pong (appointed 27 March 2015)

GROUP RESULT

The consolidated operating loss after income tax attributable to members of the Parent Entity increased by 393.13% to \$4,961,835 for the half year under review, compared to a loss of \$1,006,197 in the previous corresponding half year.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is signed in accordance with a resolution of the Board of Directors.



RICHARD LI
EXECUTIVE CHAIRMAN

Dated at Melbourne this 27th day of March 2015.

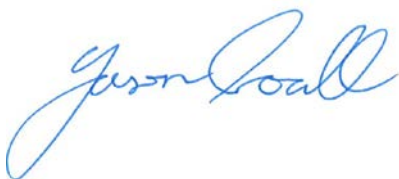
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of GoConnect Limited for the half year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL
Partner

Melbourne, VIC
Dated: 27 March 2015

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR

	Notes	2014 \$	2013 \$
Revenue		9,280	297,010
Goodwill impairment		(4,336,470)	-
Virtual internet service network operating costs		(14,837)	(32,786)
Employee benefits expense		(172,391)	(588,161)
Depreciation and amortisation expenses		-	(29,176)
Finance costs		(79,902)	(22,440)
Office rent expense		(82,464)	(120,265)
Other expenses		(285,051)	(510,379)
Profit/Loss before income tax		(4,961,835)	(1,006,197)
Income tax (expense)/benefit		-	-
Profit/Loss for the period	2	(4,961,835)	(1,006,197)
Other comprehensive income		-	-
Total comprehensive loss for the period		(4,961,835)	(1,006,197)
Loss attributable to:			
Member of the parent entity		(4,961,835)	(1,006,197)
Non-controlling interest		-	-
Total comprehensive loss attributable to:			
Member of the parent entity		(4,961,835)	(1,006,197)
Non-controlling interest		-	-
Loss per share		Cents	Cents
From continuing operations:			
Basic loss per share		(0.5)	(0.1)
Diluted loss per share		(0.5)	(0.1)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

CONSOLIDATED

	31 December	30 June
Notes	2014	2014
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	-	159
Trade and other receivables	622	296,018
Prepayment	18,275	-
Other financial asset	20	20
Total current assets	18,917	296,197
Non-current assets		
Plant and equipment	5,152	5,152
Investments accounted for using the equity method	40	40
Intangible asset	-	4,336,471
Total non-current assets	5,192	4,341,663
Total assets	24,109	4,637,860
LIABILITIES		
Current liabilities		
Trade and other payables	4,458,863	4,781,664
Short-term provisions	69,558	66,330
Total current liabilities	4,528,421	4,847,994
Non-current liabilities		
Borrowings	2,005,509	1,710,123
Long-term provisions	-	3,228
Total non-current liabilities	2,005,509	1,713,351
Total liabilities	6,533,929	6,561,345
Net assets (liabilities)	(6,509,820)	(1,923,485)
EQUITY		
Issued capital	45,441,170	45,041,170
Reserves	772,000	772,000
Accumulated losses	(52,722,990)	(47,761,155)
Parent interest	(6,509,820)	(1,947,985)
Non-controlling interest	-	24,500
Total equity	(6,509,820)	(1,923,485)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

Notes	Consolidated Group					Total \$
	Share Capital Ordinary \$	Accumulated Losses \$	Option Reserve \$	Capital Reserve \$	Non- controlling interests \$	
Balance at 1 July 2013	45,041,170	(46,362,426)	650,000	-	24,500	(646,756)
Loss for the period	-	(1,006,197)	-	-	-	(1,006,197)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	(1,006,197)	-	-	-	(1,006,197)
Transactions with owners, recorded directly in equity						
Shares issued during the period, net of transaction costs	-	-	-	-	-	-
Recognition of share based remuneration	-	-	122,000	-	-	122,000
Total transactions with owners	-	-	772,000	-	-	122,000
Balance at 31 December 2013	45,041,170	(47,761,155)	772,000	-	24,500	(1,530,953)
Balance at 1 July 2014	45,041,170	(47,761,155)	772,000	-	24,500	(1,923,485)
Loss for the period	-	(4,961,835)	-	-	-	(4,961,835)
Other comprehensive income for the period	-	-	-	-	(24,500)	(24,500)
Total comprehensive income for the period	-	(4,961,835)	-	-	(24,500)	(4,986,335)
Transactions with owners, recorded directly in equity						
Share issues	400,000	-	-	-	-	400,000
Total transactions with owners	-	-	-	-	-	400,000
Balance at 31 December 2014	45,441,170	(52,722,990)	772,000	-	-	(6,509,820)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOW

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR

2014 2013
\$ \$

Cash flows from operating activities

Receipts from customers	-	176,336
Payments to suppliers and employees	(590,024)	(394,734)
Finance costs	-	-
Net cash outflow from operating activities	(590,024)	(218,398)

Cash flows from investing activities

Loan to associated company	-	(535)
Net cash outflow from investing activities	-	(535)

Cash flows from financing activities

Proceeds from issue of shares	400,000	-
Proceeds from borrowings	189,865	218,241
Net cash inflow from financing activities	589,865	218,241

Net increase (decrease) in cash held	(159)	(692)
Cash at the beginning of the financial period	159	915
Cash at the end of the financial period	-	223

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of GoConnect Ltd and its controlled entities ("the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

For the purposes of preparing these financial statements, the Group is a for-profit entity.

Going concern assumption

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements the Consolidated Entity experienced an operating loss of \$4,961,835, of which \$4,336,470 relates to a non-cash item of goodwill impairment without which the loss would have been \$625,365 (2013 loss of \$1,006,197), and negative operating cash flows of \$590,024 (2013: \$218,398) during the financial period ended 31 December 2014. Furthermore, at 31 December 2014, the Consolidated Entity had:

- cash balances of \$nil (31 December 2013: \$223)
- net current liabilities of \$4,509,504 (31 December 2013: net current liabilities of \$3,857,023); and
- net liabilities of \$6,509,820 (31 December 2013: \$1,923,485).

These factors indicate a material uncertainty which may cast significant doubt over the ability of the Consolidated Entity to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

However, the Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- (i) The Consolidated Entity has 16.67 million shares (pre a 2 for 5 consolidation) equivalent to 6.667 million shares post consolidation of capital in Priority One Network Group Ltd which can be realised for cash in either off market sales or potential future on market trades. Priority One is seeking listing on the ASX, prior to 30 June 2015, and the success of this listing will significantly influence the ability of the Consolidated Entity to realise the value of its shareholding. This investment is recognised at cost of nil as at 31 December 2014. Since the end of the half year to 31 December 2014, the Consolidated Entity has disposed of part of these shares in Priority One to enable them to discharge liabilities.
- (ii) The Consolidated Entity owns 1/3 equity interest in Go Zhongshe Ltd (Go Zhongshe) which is a standalone investment of the Consolidated Entity. This investment is recognised using the equity

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

method of accounting. As at 31 December 2014 the equity accounted value of the investment is nil. The investment in Go Zhongshe enables the Consolidated Entity to benefit from the value of a number of high growth businesses in China together with strong local partners while minimizing its own direct operational expenses. Go Zhongshe provides a substantial asset to the Consolidated Entity which can also be realised to generate additional liquidity.

- (iii) The Consolidated Entity entered into a 50/50 partnership agreement (Partnership) with an Asian group with a communication application for smartphone. The application which has in excess of 16 million registered users will be integrated with uctv.fm, our IPTV platform, to provide to the smartphone users a one stop media entertainment and communication application. The integrated application with its substantial worldwide user base will enable the Partnership to deliver not only communication services in voice, video, instant message in type text, and hand written notes, but also deliver more effectively and proactively to a substantial worldwide registered user base, free and Pay Per View (PPV) video entertainment content via uctv.fm. The market acceptance of this application is expected to generate a significant revenue stream for the Consolidated Entity.
- (iv) As indicated in Note 5 Subsequent Events, Go Connect Australia Pty Ltd is currently being liquidated. There is approximately \$450,000 worth of liabilities associated with Go Connect Australia Pty Ltd that the Consolidated Entity will now not have to repay as a result of this process.

The Consolidated Entity has unused credit facilities of \$560,000 provided by a related entity, Sino Investment Services Pty Ltd. The ability of Sino Investment Services Pty Ltd to provide the unused credit facilities is contingent on the value of its investments, primarily in the first instance its investment in Priority One shares, and the ability for the value of these investments to be realized.

The continuing viability of the Consolidated Entity and its ability to continue as a going concern and meet its debts and commitments as they fall due is subject to the continued support of creditors of the Consolidated Entity and the Consolidated Entity being successful with:

- Realising the value of its Priority One Network Group Ltd shares which is highly dependent on the successful ASX listing of Priority One;
- Realising the value of Go Zhongshe Ltd which the Consolidated Entity owns 1/3 equity interest in;
- Expanding and licensing of uctv.fm IPTV distribution platforms;
- Capitalising the uctv.fm IPTV network and continuing to improve its value by aggregating and producing quality entertainment and infotainment content;
- Generating revenue including PPV revenue via smartphone communication app integrated with uctv.fm media entertainment; and
- Acceptance of PPV application by the market.

The Consolidated Entity is proactively working on all of the above matters directly and with its partners. The directors are confident that the Consolidated Entity will be successful in the above matters.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

	HALF-YEAR	
	2014	2013
	\$	\$
2. LOSS FOR THE PERIOD		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Expenses		
Goodwill impairment	4,336,470	-
Depreciation of property, plant and equipment	-	7,697
Rental expense relating to operating leases	82,464	120,265
Finance costs	79,902	22,440
Amortisation of intangible assets	21,479	21,479
Share based remuneration	-	122,000

3. 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.

	2014	2013
	\$	\$
Australia	-	297,011
Total revenue	-	297,011

The Group was not reliant on any single major customer during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

4. CONTINGENT LIABILITIES

In December 2012, GoConnect Limited and La Jolla Cove Investors, Inc. ("LJC") entered into a settlement agreement in relation to the termination of a convertible note funding agreement ("the Loan").

The Loan has been repaid by issuing 28,140,750 shares at \$0.02 per share ("Settlement Shares") subject to the share price achieving this value at a minimum. Sino Investment Services Pty Ltd ("SIS") has underwritten the settlement of US\$770,000 of the amount payable to LJC and the underwriting is secured against the Settlement Shares. GoConnect Limited is exposed to a maximum contingent liability of US\$ 770,000.

Other than the matter set out above, there has been no other change in contingent liabilities since the last annual reporting period.

5. EVENTS OCCURRING AFTER REPORTING DATE

As announced to the ASX on 9 February, 2015, the Board of GoConnect Ltd, has now resolved to let GoConnect Australia Pty Ltd to continue its liquidation process rather than converting it to voluntary administration as envisaged previously. Accordingly, the businesses of GoConnect Australia Pty Ltd have been discontinued.

The Consolidated Entity has secured an investment being a 1/3 interest in Go Zhongshe Ltd. Other than this investment and the resolution to liquidate GoConnect Australia Pty Ltd, there is no other item, transaction or event of a material and unusual nature, likely, in the opinion of the directors of the Consolidated Entity, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial period.

DIRECTORS' DECLARATION

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

The Directors declare that:

1. The financial statements and notes set out on pages 4 to 11 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standards AASB 134 Interim Financial Reporting; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2014 and of its performance for the half-year on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



RICHARD LI
EXECUTIVE CHAIRMAN

Dated at Melbourne this 27th day of March 2015.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

GOCONNECT LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GoConnect Limited which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GoConnect Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GoConnect Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GoConnect Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

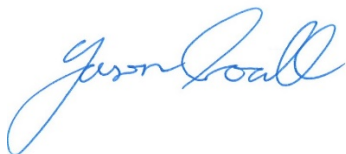
Emphasis of Matter

Without modifying our conclusion expressed above, we draw attention to Note 1 in the half-year financial report which indicates that the consolidated entity reported operating losses of \$4,961,835 (2013: \$1,006,197) and negative operating cash flows of \$590,024 (2013: \$218,398) during the financial period ended 31 December 2014. Furthermore, at 31 December 2014, the Consolidated entity had cash balances of \$nil (30 June 2014: \$159), net current liabilities of \$4,509,504 (30 June 2014 \$4,551,797) and net liabilities of \$6,509,820 (30 June 2014: \$1,923,485).

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL

Partner

Dated: 27 March 2014

Melbourne, Victoria