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Company Announcement Office
Australian Securities Exchange Limited

Re: GoConnect, Go Zhongshe, and Jianshui County Government to derive substantial value from agricultural branding company

The Board of GoConnect Ltd ("GCN") is pleased to advise that its associate Go Zhongshe Ltd ("Go Zhongshe"), of which GCN holds a 1/3 equity interest, has entered into two partnership agreements with the Jianshui County South Village Grape Production and Marketing Co-operative, and the Jianshui County Agricultural Trade Development Board: **Jianshui Table Grape vineyard Production and Acquisition Partnership Agreement** and the **Jianshui Table Grape Vineyard Acquisition agreement Supplementary Agreement**.

Jianshui County South Village Grape Production and Marketing Co-operative ("Jianshui County Grape Co-operative") represents the table grape farmers in the Jianshui County, while the Jianshui County Agricultural Trade Development Board ("Jianshui Trade Development Board") represents the Jianshui County Government of the Yunnan Province and is responsible for all farm produce and farmers co-operatives within the county. Jianshui is about 3 hours by train or car south of Kunming, the capital city of Yunnan Province. Jianshui County is a major supplier of fruits and vegetables to the Yunnan Province and the rest of China.

Under the agreements, Go Zhongshe will establish an agricultural branding company ("Branding Ltd") to take over the exclusive supply, branding and marketing of table grapes from the Jianshui County of not less than 95,000 tonnes per annum. Under the agreements, Go Zhongshe holds 60% of Branding Ltd while the Jianshui Trade Development Board holds 40% ("the Partnership").

The establishment of Branding Ltd together with the Jianshui County Government has provided Go Zhongshe with a timely first mover advantage in the Chinese market. An official pronouncement was made on 17 June 2015 by China's top leaders, Xi Jinping, President of the People's Republic of China and Li Keqiang, China's Premier, on the measures and regulations to be introduced in China by October 2015 to ensure food product safety. In particular, the leaders stress the importance of **developing pollution free, green, and organic agricultural products and establishing China's own high quality agricultural product brands**. This is precisely the business mission of Branding Ltd, commencing with the Jianshui table grapes.

Under the Supplementary Agreement, the Partnership agrees that Branding Ltd will seek listing on the appropriate Australian stock exchange. Branding Ltd's successful listing will crystallize the market value of a substantial asset for Go Zhongshe for its 60% interest in Branding Ltd, and accordingly, GCN will attract a substantial asset value via its 1/3 interest in Go Zhongshe. Go Zhongshe has engaged an independent

corporate advisory firm to advise on the listing of both Go Zhongshe and Branding Ltd and the preparation of disclosure documents.

The Jianshui Table Grape Vineyard has been in production for more than 10 years, and produced and sold for each of the past 5 years, about 156,000 tonnes of table grapes from the vineyard of over 5,200 hectares. All the grapes produced were sold within China. The Jianshui annual production is 30% larger than Australia's entire production of 120,000 tonnes of table grapes last year according to information from the Australian Table Grape Association. The Jianshui table grapes are high quality, red/black and seedless. The Jianshui Table Grape Vineyard is professionally managed by the Jianshui Grape Co-operative under the supervision of the Jianshui County Government.

Based on information provided by the Jianshui Grape Co-operative, farm gate sales revenue of the vineyard's production in each of the past 5 years amounted to RMB 2.97 billion (A\$561 million at current exchange rate). Despite the high quality, average farm gate price achieved for Jianshui table grapes sold as unbranded products, had been substantially discounted to that of comparable quality US or Australian imported table grapes. US imported table grapes are priced at 344% premium to that of the unbranded Jianshui grapes while Australian imported table grapes are priced at a 233% premium.

The Partnership believes that much higher prices and revenue can be achieved for the Jianshui table grape products. The Partnership will cooperate to add value to the Jianshui table grape products. This is to be achieved through improvement to farm technology at the vineyard to further improve yield, introduction of new product classification, branding, and brand marketing for the Jianshui table grapes to achieve higher sale prices for the products.

The first objective of the brand marketing strategy is to narrow the price discount between Jianshui grapes and the higher-priced imported grapes. To help achieve this objective, the Partnership has access to proven international branding and marketing expertise and is supported by strong local market knowledge. From 2016, Jianshui grapes will be sold under a trade mark by Branding Ltd. The trade mark will be registered by the Jianshui County Government and licensed exclusively to Branding Ltd. Each year, with the early harvest between March and May, the Jianshui table grapes are the first table grapes to arrive in the China market ahead of competitive production from other provinces. With effective branding to narrow the price discount for the Jianshui table grapes, Branding Ltd will capture and be entitled to the additional sales revenue achieved over and above existing farm gate revenue.

The Jianshui table grape project is expected to deliver substantial revenue and profitability to Branding Ltd and accordingly, to Go Zhongshe and GoConnect from March 2016 onward starting with the next season's harvest and sales. With the County Government as joint shareholder responsible for all farm produce in the Jianshui County, early success of Branding Ltd is expected to lead to an expansion of its product branding business to a whole range of other farm produce within the Jianshui County with associated increase to revenue and profits.