

# Appendix 4E

## Preliminary final report

### Year ended on 30 June 2016

#### Item 1

Name of entity

GOCONNECT LIMITED

ACN or equivalent company reference

089 240 353

Current reporting period

30 June 2016

Previous corresponding period

30 June 2015

#### Item 2

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		2015 \$		2016 \$	Percentage change %
<b>2.1</b> Revenues from ordinary activities	up from	280,000	to	904,752	223.13%
<b>2.2</b> Profit ( Loss) from ordinary activities after tax attributable to members	up from	(3,394,112)	to	190,058	N/A
<b>2.3</b> Net profit ( loss) for the period attributable to members	up from	(3,394,112)	to	190,058	N/A
<b>2.4</b> 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 <b>item 12</b>					

**Item 3 – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		Consolidated Group	
	Notes	Current period \$	Previous corresponding period \$
<b>Continuing operations</b>			
Revenue		904,752	280,000
Other revenue – utilised unused tax credits		57,017	
Virtual Internet Service network operating costs		(14,404)	(9,637)
Employee benefits expense		(118,200)	(117,566)
Depreciation and amortisation expenses		-	-
Finance costs		(39,324)	(100,243)
Impairment and write off assets		-	(4,365,098)
Office rent expense		(52,510)	(109,698)
Other expenses		(490,056)	(659,069)
Share of net loss of associates		(200)	-
<b>Profit (Loss) before income tax</b>		<b>247,075</b>	<b>(5,081,311)</b>
Income tax expense		(57,017)	-
<b>Profit (Loss) from continuing operations</b>		<b>190,058</b>	<b>(5,081,311)</b>
<b>Discontinued operations</b>			
Profit (loss) from discontinued operations		-	1,687,199
<b>Other comprehensive income</b>		-	-
<b>Net profit (loss) for the year</b>		<b>190,058</b>	<b>(3,394,112)</b>
<b>Profit (loss) attributable to:</b>			
Members of the parent entity		<b>190,058</b>	<b>(3,394,112)</b>
Non-controlling interest		-	-
		<b>190,058</b>	<b>(3,394,112)</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Members of the parent entity		<b>190,058</b>	<b>(3,394,112)</b>
Non-controlling interest		-	-
		<b>190,058</b>	<b>(3,394,112)</b>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings (loss) per share (cents)	2	0.1	(0.3)
Diluted earnings (loss) per share (cents)	2	0.1	(0.3)
From continuing operations:			
Basic earnings (loss) per share (cents)	2	0.1	(0.5)
Diluted earnings (loss) per share (cents)	2	0.1	(0.5)
From discontinued operations:			
Basic earnings (loss) per share (cents)	2	-	0.2
Diluted earnings (loss) per share (cents)	2	-	0.2

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

**Item 4 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	Consolidated Group Current period \$	Previous corresponding period \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		88	-
Other financial asset	4	-	-
<b>Total current assets</b>		<b>88</b>	<b>-</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	5	-	200
<b>Total non-current assets</b>		<b>-</b>	<b>200</b>
<b>Total assets</b>		<b>88</b>	<b>200</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		2,872,154	2,948,266
Borrowings		962,669	962,669
<b>Total current liabilities</b>		<b>3,834,822</b>	<b>3,910,935</b>
<b>Non-current liabilities</b>			
Borrowings		917,305	1,031,362
<b>Total non-current liabilities</b>		<b>917,305</b>	<b>1,031,362</b>
<b>Total liabilities</b>		<b>4,752,128</b>	<b>4,942,297</b>
<b>Net assets (liabilities)</b>		<b>(4,752,039)</b>	<b>(4,942,097)</b>
<b>EQUITY</b>			
Issued capital	6	45,441,170	45,441,170
Reserves		772,000	772,000
Accumulated losses	7	(50,965,209)	(51,155,267)
<b>Total equity</b>		<b>(4,752,039)</b>	<b>(4,942,097)</b>

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

**Item 5 – CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	Consolidated Group Current period \$	Previous corresponding period \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	-
Payments to suppliers and employees		(449,790)	(808,908)
<b>Net cash used in operating activities</b>		<u>(449,790)</u>	<u>(808,908)</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of equity investments		555,000	125,000
Loans to related entities		-	-
<b>Net cash used in investing activities</b>		<u>555,000</u>	<u>125,000</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	400,000
Proceeds from borrowings		(105,121)	283,908
<b>Net cash provided by financing activities</b>		<u>(105,121)</u>	<u>683,908</u>
Net increase (decrease) in cash held		88	(159)
Cash at beginning of financial year		-	159
<b>Cash at end of financial year</b>		<u>88</u>	<u>-</u>

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*

	<b>Current period</b>	<b>Previous corresponding period</b>
Net tangible asset backing per ordinary share	(0.48) cents	(0.49) 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 5 in the accompanying Attachment*

**Item 12**

*Other significant information*

The consolidated operating revenue of GoConnect Limited group ("the Group" or "GoConnect" or "GCN") increased by 223.13% to \$904,752 for the financial year compared to \$280,000 in the previous year.

The consolidated operating profit (loss) after income tax of the Group increased from a loss of \$3,394,112 in the previous year to a profit of \$190,058 for the financial year.

Refer to below Review of Operations for further comments.

**Review of Operations**

The financial year ended 30 June 2016 was a busy and rewarding year for the company. GoConnect Ltd ("The Consolidated Entity" or "GCN") generated revenue of \$904,752 from sale of securities for an increase of 223.13% compared to revenue of the previous corresponding period, and delivered an after tax profit of \$190,058 compared to a substantial loss for the previous corresponding period of \$3,394,112, with the loss contributed largely by one-off write off of goodwill from previous acquisitions. Results for the financial year ended 30 June 2016 have positioned GCN for much improved financial prospects for future years.

GCN owns 45% of Go Green Holdings Ltd ("Go Green Holdings"). GCN's management contributed much time and effort working with management of Go Green Holdings in the past 12 months firstly, in securing the contract for Jianshui table grape purchase and sale and since then, in implementing a unique brand creation and marketing strategy for the grapes. Go Green Holdings is the marketer, not the grower of the grapes. The Jianshui table grapes will be branded as "Judith". The Judith grapes are a derivative of the most expensive table grape in the world, the Japanese Kyoho grape, which retails for up to US\$100 per kg and is sold normally in gift boxes in department stores. Kyoho in Chinese is pronounced as Jufong, while "Judith" can be translated as the new generation Jufong grape.

### **The Perfect Match in search of Judith**

A brand ambassador will be secured to represent the Judith grape and this brand ambassador will be "discovered" via a planned national TV series titled The Perfect Match in search of Judith to be co-produced by Go Green Holdings and Asian entertainment legend Philip Chan. The first series winner "Miss Judith" is planned to be crowned in the March quarter 2017 just before the next 2017 Jianshui table grape harvest. The TV series has already received the in-principle support of a major casino in Macau for on-location production, and Guangdong Satellite TV in China for broadcasting to an audience reach of over 900 million viewers. However, in order to ensure the success of the TV series and to gain maximum media and viewer exposure, this TV series will be the first to be broadcast to China incorporating Virtual Reality ("VR") social networking segments.

### **Veeso Virtual Reality on China TV**

After searching the world for the appropriate VR partner for the TV series, Go Green Holdings spotted the Veeso Virtual Reality ("VR") technology. VR has become the fastest growing new and some say, the ultimate media platform in the world. Chinese media in particular are eager to publish any news regarding VR activities. Recently, Go Green Holdings has secured a 49% equity stake in a joint venture company ("JV Company") with Be & Become Inc of New York which owns the world first Veeso facial tracking technology for VR headsets. The JV Company will hold exclusively all of the Veeso Intellectual Property rights for all of Greater China including Mainland China, Taiwan, Hong Kong and Macau. Be & Become is also developing Veeso Chat as a VR chat platform which will be the first and most advanced VR social networking chat platform with application of the Veeso technology. Both Veeso headsets and Veeso Chat will be scripted into the content of the TV series.

### **Veeso powered VR headsets to be made in China**

Bobo VR, one of the top 5 VR headset manufacturers and vendors in China, is executing a license agreement with JV Company to be the licensed manufacturer, distributor and technology partner of Veeso headsets. Bobo VR headsets have received very positive product reviews around the world. Revenue from sale of Veeso headsets in 2017 is expected to be substantial based on the current sales performance of the Chinese vendor who is already selling its own VR headsets at the monthly rate of 200,000 units. Sale guaranteed at minimum of 1 million units in the first 12 months of launch is agreed. No other headsets on the market has facial tracking technology. Facial tracking will be very important for VR social networking and will bring to life the avatars in any VR social chat or multi-player games. Over 200 games developers around the world including some of the biggest brands in online games, have already expressed interest in developing games on the Veeso technology platform.

### **Dream Factory VR**

To position Go Green Holdings to be a leader in VR commerce, Go Green Holdings has entered into an agreement with US celebrity product branding expert, Global Brand Consulting LLC, owned by Bernt Ullmann. Under the agreement, Go Green Holdings has secured a 50% interest in a VR department store "Dream Factory VR" retailing celebrity branded products. Global Brand Consulting is associated with global fashion icon Tommy Hilfiger. Dream Factory VR will be incorporating Veeso Chat in its development. Miss Judith branded merchandise will also be sold through Dream Factory VR. Dream Factory VR has partnered with Starshop.com, an eCommerce site retailing established Hollywood celebrities' branded products. Starshop.com was founded by Kevin Harrington, creator of the famed Shark Tank TV franchise. Dream Factory VR has also partnered with Celebrity Lifestyle Brands Inc ("CLB"), co-founded by Bernt Ullmann. CLB is a promoter and online retailer of up-and-coming celebrities' branded products. Together, Starshop.com and CLB will be the suppliers to Dream Factory VR of an enviable range of Hollywood celebrities and their

branded products, thus positioning Dream Factory VR to partner with top Chinese celebrities and to put merchandise behind them. Kevin Harrington has also joined the international advisory board of Dream Factory VR.

### **Looking ahead**

The successful branding of the Judith grape via The Perfect Match in search of Judith TV series will enable Go Green Holdings to have a significant influence on the retail price of the Judith table grapes and be a price setter rather than a price taker. Go Green Holdings has already established good relationship with the top two online fresh fruit/food retailers in China who between them command over 50 million regular customers. Online sale of Judith grapes will be the most important distribution channel for Judith grapes in 2017.

Go Green Holdings has established multiple sources of income in the past 12 months to transform its business and hence that of GCN, from sale of Judith branded table grapes, and sponsorship sales of The Perfect Match TV series with Veeso and Dream Factory VR being the first commercial sponsors secured. Adding to revenue from the TV series and table grapes, Go Green Holdings can expect revenue from Dream Factory VR department store, and licence revenue from sale of Veeso VR headsets. Marketing of Judith grapes, Dream Factory VR, and Veeso VR headsets will be via the TV series to a substantial TV audience in China.

The businesses of Go Green Holdings comprising agricultural product brand creation and marketing (Judith grapes), VR commerce (Dream Factory VR), traditional and VR media (The Perfect Match TV Series), VR social network (Veeso Chat), have been developed with the benefit of the long history and experience of GCN in new media, and accelerated by the trusted China relationships of our partners. The ability to spot the opportunities at the right time, supported by the relationships and China knowledge of Go Green Holdings' professional team in China, have enabled Go Green Holdings and GCN to capture opportunities and convert them to valuable businesses at an unprecedented speed.

### **FUTURE DEVELOPMENT, PROSPECTS AND BUSINESS STRATEGIES**

GCN's primary corporate objective is to establish the company as a major new media company supported by development of its China businesses via Go Green Holdings.

With the restructuring of GCN's businesses in place, and the substantial progress made of the businesses of Go Green Holdings, GCN has derived substantial savings from its reorganization of the past 36 months. The restructured GCN is now cost effective, revenue focused, China focused, and is transformed by the substantial asset value and earnings prospects via its holding in Go Green Holdings.

To improve operating cash flows and maximize shareholder wealth, GCN will focus on the following developments in the next 12 months:

- Expanding the uctv.fm IPTV platform in conjunction with Go Green Holdings;
- Reducing liabilities of GCN so as to be debt free within 2 years;
- Capitalizing on the uctv.fm IPTV network and continue to improve its value by aggregating and co-producing branded entertainment and infotainment content together with Go Green Holdings with the planned TV franchise The Perfect Match in search of Judith commencing in China;

- Assisting Go Green Holdings to develop its China businesses in line with Chinese government policies and initiatives on agricultural product branding and marketing, and on entertainment media including traditional satellite TV and VR media in China.

These developments are expected to deliver positive cash flows and increase enterprise value of GCN.

**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.

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Richard Li  
Executive Chairman

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31 August 2016  
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. EARNINGS PER SHARE

	Current period Cents	Previous corresponding period - Cents
Basic earnings (loss) per share	0.1	(0.3)
Diluted earnings (loss) per share	0.1	(0.3)

	Current period Number	Previous corresponding period - Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	998,514,133	991,883,996

### 3. CONTROLLED ENTITIES

#### a. Controlled Entities Consolidated

Name of the above controlled entities	Class of shares	Country of incorporation	% owned 2016	% owned 2015
Uctv.fm Pty Ltd	ordinary	Australia	100	100
EcoConnect Australia Pty Ltd	ordinary	Australia	-	100

#### 4. OTHER FINANCIAL ASSET

GoConnect is offering part of the Company's 100 million shares in the Go Green Holdings Ltd ("GGH") to professional and offshore investors. The sale proceeds will add to working capital of the Company and GGH. In this regard, the Company realised \$904,752 sale proceeds of GGH shares during the financial year.

The Go Green Offer of 5 million shares in GGH shares currently on offer is expected to realize approximately \$7.5 million for the Company.

#### 5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Current period \$	Previous corresponding period - \$
Investment in an associate	-	200

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. The business of Pharmasafe was discontinued so that GCN can focus on Go Green Holdings' businesses.

Name of company	Principal activity	Ownership interest		Consolidated carrying amount	
		2016 %	2015 %	2016 \$	2015 \$
Go Green Holdings Ltd	Investment company	45.45 % Fully paid ordinary shares	45.45 % Fully paid ordinary shares	-	200
Pharmasafe Pty Ltd	Sale of Chinese herbal remedy "Liver Bioguard"	- % Fully paid ordinary shares	40 % Fully paid ordinary shares	-	-

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

	<b>Current period</b>	<b>Previous corresponding period - \$</b>
	<b>\$</b>	
<b>Movements in carrying amount of investment in an associate</b>		
Carrying amount at the beginning of the financial year	200	40
New investment during the year	-	200
Write off investment in associates	-	(40)
Share of loss after income tax	(200)	-
<b>Carrying amount at the end of the financial year</b>	<b>-</b>	<b>200</b>
<b>Results attributable to associates</b>		
Loss before related income tax	(54,550)	-
Income tax expense	-	-
<b>Loss after related income tax</b>	<b>(54,550)</b>	<b>-</b>
<b>Reserve attributable to associates</b>	<b>-</b>	<b>-</b>
<b>Share of associates' contingent liabilities</b>	<b>-</b>	<b>-</b>
<b>Share of associates' expenditure commitments</b>	<b>-</b>	<b>-</b>
Current assets of associates	220,333	1,960
Non-current assets of associates	102,757	-
<b>Total assets of associates</b>	<b>323,090</b>	<b>1,960</b>
Current liabilities of associates	275,584	87,761
Non-current liabilities of associates	-	-
<b>Total liabilities of associates</b>	<b>275,584</b>	<b>87,761</b>
<b>Net liabilities of associates</b>	<b>(47,505)</b>	<b>(85,801)</b>

	<b>Current period</b>	<b>Previous corresponding period - \$</b>
	<b>\$</b>	
<b>6. ISSUED CAPITAL</b>		
<b>Ord</b>		
<b>Issued and paid up capital</b>		
998,514,133 (2015: 978,514,133) ordinary shares fully paid	45,441,170	45,041,170

**6. ISSUED CAPITAL (CONT'D)**

**Movements in ordinary share capital**

Date	Details	Number of shares
1 July 2014	Opening balance	978,514,133
14 October 2014	Share issue	20,000,000
<b>30 June 2015</b>	<b>Balance</b>	<b>998,514,133</b>

Date	Details	Number of shares
	No share issue during the Current period	
<b>30 June 2016</b>	<b>Balance</b>	<b>998,514,133</b>

	Current period \$	Previous corresponding period - \$
<b>7. ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(50,724,753)	(47,761,155)
Net profit ( loss) attributable to members of GoConnect Ltd	380,523	(2,963,597)
<b>Accumulated losses at the end of the year</b>	<b>(50,344,230)</b>	<b>(50,724,753)</b>

**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	88	-

**9. OPERATING SEGMENTS**

The Group's operating business activities were focused on the development and delivery of IPTV products. All assets held by the Group during the reporting period were located within Australia. Revenue attributable to external customers was within Australia.