

GoConnect Limited ACN 089 240 353 Level 1, 951 Nepean Hwy, Bentleigh, Victoria 3204 Australia Tel 61 3 8833 7242 Fax 61 3 9415 8373

13 April 2016

Company Announcement Office Australian Securities Exchange Limited

Re: half-year report to 31 December 2015

The Directors of GoConnect Ltd are pleased to present the financial report for half-year ended 31 December 2015 and Appendix 4D report.

For the half-year ended 31 December 2015, Directors are also pleased to report that the company generated a comprehensive profit of \$1.11 million compared to a loss of \$4.96 million for the previous corresponding half-year, an improvement of over 122%. Directors are now taking steps to call the AGM of shareholders to approve the accounts of 2014-2015 at the soonest.

With completion of lodgement of our audited financial reports in compliance with ASX Listing Rules, GoConnect Ltd now formally requests the approval of the ASX for the resumption of trading of the company's shares.

Richard Li Chairman

Rule 4.2A.3

Appendix 4D

Half year report for period ended on 31 December 2015

Introduced 1/1/2003.

Item 1

Name of entity

COCONNIECE	I IMPER
GOCONNECT	LIMITED

ABN or equivalent company reference	Current reporting period	Previous corresponding period		
089 240 353	31 December 2015	31 December 2014		

Item 2

RESULTS FOR ANNOUNCEMENT TO THE MARKET

2.1 Revenues from ordinary activities	UP	1,516%	to	150,000
2.2 Comprehensive Profit from ordinary activities after tax attributable to members	UP	122.49%	to	1,115,901
Loss from ordinary activities after tax attributable to members	DOWN	97.82%	to	(108,150)
2.3 Net Comprehensive Profit for the period attributable to members	UP	122.49%	to	1,115,901
Net Loss from ordinary activities after tax attributable to members	DOWN	97.82%	to	(108,150)

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	(0.38 cents)	(0.67 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

1/1/2003 Appendix 4D Page 1

⁺ See chapter 19 for defined terms.

Item 7 *Details of associates and joint venture entities*

	Current period \$A	Previous corresponding period - \$A
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 holding entity. Information relating to the associate is set out below.

Name of company	Principal activity	Ownershi	ip interest		ed carrying ount
		December 2015 - %	June 2015 - %	December 2015 - \$	June 2015 - \$
Go Green	Investment	45.45 %	45.45 %*		
Holdings Ltd	company	Fully paid	Fully paid		
		ordinary shares	ordinary shares	200	200
Pharmasafe Pty	Sale of Chinese	40 %	40 %		
Ltd	herbal remedy	Fully paid	Fully paid		
	"Liver Bioguard"	ordinary shares	ordinary shares	-	-

^{*}Go Green Holdings Ltd was formally incorporated in Hong Kong on 30 September 2015, with majority shareholders of Go Zhongshe Ltd including GoConnect Ltd converting their interest to Go Green Holdings Ltd upon its incorporation.

	Current period \$A	Previous corresponding period - \$A
Movements in carrying amount of investment in an associate		
Carrying amount at the beginning of the period	200	40
Share of profits (loss) from ordinary activities after income tax	-	-
Carrying amount at the end of the period	-	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)

⁺ See chapter 19 for defined terms.

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		•	
Rese	erve attributable to associates	-	-
Shai	re of associates' contingent liabilities	-	-
Shai	re of associates' expenditure commitments	-	-

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

wills

This report is based on the Half Year Report that has been reviewed by our Auditors.

Richard Li
Executive Chairman

1/1/2003 Appendix 4D Page 3

⁺ See chapter 19 for defined terms.

GOCONNECT LIMITED

ACN 089 240 353

AND CONTROLLED ENTITIES

HALF-YEAR REPORT 31 DECEMBER 2015

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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 2015 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 2015.

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 Kevin Wong

COMPANY SECRETARY

Mr Eric Pong

GROUP RESULT

The consolidated comprehensive profit after income tax attributable to members of the Parent Entity is \$1,115,902 for the half year under review, compared to a loss of \$4,961,835 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 12th day of April 2016.



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of GoConnect Limited for the half year ended 31 December 2015, 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 AUSTRALIA PARTNERS

J S CROALL Partner

RSM

Melbourne, VIC 12 April 2016

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Notes	GOCONNECT LIMITED ACN 089 240 353 AND CONTRO	LLED ENTITIES	201202		
Revenue 150,000 9,280 Goodwill impairment (4,336,470) Virtual internet service network operating costs (6,550) (14,837) Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (19,662) (79,902) Office rent expense (19,613) (28,505) Other expenses (133,930) (28,505) Income tax (expense)/benefit (108,151) (4,961,835) Income tax (expense)/benefit 2 (108,151) (4,961,835) Other comprehensive income 1,115,901 (4,961,835) Other comprehensive profit / loss for the period 1,115,901 (4,961,835) Coss attributable to: 1,115,901 (4,961,835) Member of the parent entity (108,151) (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Coss per share Cent Ce					
Revenue 150,000 9,280 Goodwill impairment - (4,336,470) Virtual internet service network operating costs (6,550) (14,837) Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses (55,200) (172,391) Depreciation and amortisation expenses (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income - - Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest - - Total comprehensive profit / loss attributable to: - - Member of the parent entity (108,151) (4,961,835) Non-controlling interest - - </th <th></th> <th>Notes</th> <th></th> <th></th>		Notes			
Goodwill impairment - (4,336,470) Virtual internet service network operating costs (6,550) (14,837) Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses Finance costs (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income Gain on revaluation of financial asset 1,224,052 Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest Total comprehensive profit / loss attributable to: Member of the parent entity (108,151) (4,961,835) Non-controlling interest Loss per share Cents Cents From continuing operati				_	
Goodwill impairment - (4,336,470) Virtual internet service network operating costs (6,550) (14,837) Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses Finance costs (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income Gain on revaluation of financial asset 1,224,052 Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest Total comprehensive profit / loss attributable to: Member of the parent entity (108,151) (4,961,835) Non-controlling interest Loss per share Cents Cents From continuing operati	Revenue		150,000	9,280	
Virtual internet service network operating costs (6,550) (14,837) Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses - - Finance costs (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income 3 1,1224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest - - Total comprehensive profit / loss attributable to: 1,115,901 (4,961,835) Member of the parent entity 1,115,901 (4,961,835) Non-controlling interest - - Loss per share Cents Cents From continuing operations: (0.1) (0.5)		_	,	<u> </u>	
Employee benefits expense (55,200) (172,391) Depreciation and amortisation expenses - - Finance costs (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income Gain on revaluation of financial asset 1,115,901 (4,961,835) Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest - Total comprehensive profit / loss attributable to: Member of the parent entity (108,151) (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest - - - Loss per share Cents Cents From continuing operations: Basic loss per share (0.1) (0.5) <td>Goodwill impairment</td> <td></td> <td>-</td> <td>(4,336,470)</td>	Goodwill impairment		-	(4,336,470)	
Depreciation and amortisation expenses	Virtual internet service network operating costs		(6,550)	(14,837)	
Finance costs (19,662) (79,902) Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income - - Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest - - Member of the parent entity (108,151) (4,961,835) Non-controlling interest - - Member of the parent entity 1,115,901 (4,961,835) Non-controlling interest - - Loss per share Cents Cents From continuing operations: - - Basic loss per share (0.1) (0.5)	Employee benefits expense		(55,200)	(172,391)	
Office rent expense (32,800) (82,464) Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest - - Total comprehensive profit / loss attributable to: - - Member of the parent entity (108,151) (4,961,835) Non-controlling interest - - Loss per share Cents Cents From continuing operations: - - Basic loss per share (0.1) (0.5)	Depreciation and amortisation expenses		-	-	
Other expenses (143,939) (285,051) Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit 2 (108,151) (4,961,835) Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income 3 1,224,052 - Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Non-controlling interest (108,151) (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Loss per share Cents Cents From continuing operations: Cents Cents Basic loss per share (0.1) (0.5)	Finance costs		(19,662)	(79,902)	
Profit / (Loss) before income tax (108,151) (4,961,835) Income tax (expense)/benefit - - Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income	Office rent expense		(32,800)	(82,464)	
Income tax (expense)/benefit	Other expenses	_	(143,939)	(285,051)	
Profit / (Loss) for the period 2 (108,151) (4,961,835) Other comprehensive income Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Loss attributable to: Member of the parent entity (108,151) (4,961,835) Non-controlling interest - - Loss per share Cents Cents From continuing operations: Basic loss per share (0.1) (0.5)	Profit / (Loss) before income tax		(108,151)	(4,961,835)	
Other comprehensive income Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Loss attributable to: (108,151) (4,961,835) Non-controlling interest - - Total comprehensive profit / loss attributable to: 1,115,901 (4,961,835) Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest - - Loss per share Cents Cents From continuing operations: (0.1) (0.5)	Income tax (expense)/benefit		-	-	
Gain on revaluation of financial asset 1,224,052 - Total comprehensive profit / loss for the period 1,115,901 (4,961,835) Loss attributable to: (108,151) (4,961,835) Non-controlling interest - - Total comprehensive profit / loss attributable to: 1,115,901 (4,961,835) Member of the parent entity 1,115,901 (4,961,835) Non-controlling interest - - - Loss per share Cents Cents From continuing operations: (0.1) (0.5)	Profit / (Loss) for the period	2	(108,151)	(4,961,835)	
Total comprehensive profit / loss for the period Loss attributable to: Member of the parent entity Non-controlling interest Total comprehensive profit / loss attributable to: Member of the parent entity Member of the parent entity Non-controlling interest Loss per share Cents Cents Cents From continuing operations: Basic loss per share (0.1) (0.5)	Other comprehensive income				
Loss attributable to: Member of the parent entity Non-controlling interest Total comprehensive profit / loss attributable to: Member of the parent entity Member of the parent entity Non-controlling interest 1,115,901 (4,961,835) Non-controlling interest Cents From continuing operations: Basic loss per share (0.1) (0.5)	Gain on revaluation of financial asset	_	1,224,052		
Member of the parent entity(108,151)(4,961,835)Non-controlling interestTotal comprehensive profit / loss attributable to:Member of the parent entity1,115,901(4,961,835)Non-controlling interestLoss per shareCentsCentsFrom continuing operations:(0.1)(0.5)	Total comprehensive profit / loss for the period	_	1,115,901	(4,961,835)	
Non-controlling interest Total comprehensive profit / loss attributable to: Member of the parent entity 1,115,901 (4,961,835) Non-controlling interest Loss per share Cents From continuing operations: Basic loss per share (0.1) (0.5)	Loss attributable to:				
Total comprehensive profit / loss attributable to: Member of the parent entity Non-controlling interest Loss per share Cents Cents From continuing operations: Basic loss per share (0.1) (0.5)	Member of the parent entity		(108,151)	(4,961,835)	
Member of the parent entity Non-controlling interest Loss per share Cents Cents From continuing operations: Basic loss per share (0.1) (0.5)	Non-controlling interest	_	-	-	
Non-controlling interest Loss per share Cents Cents From continuing operations: Basic loss per share (0.1) (0.5)	Total comprehensive profit / loss attributable to:				
Loss per share From continuing operations: Basic loss per share Cents Cents (0.1)	Member of the parent entity		1,115,901	(4,961,835)	
From continuing operations: Basic loss per share (0.1) (0.5)	Non-controlling interest	_	-		
Basic loss per share (0.1)	Loss per share		Cents	Cents	
-	From continuing operations:				
-	Basic loss per share		(0.1)	(0.5)	
	Diluted loss per share		(0.1)	(0.5)	

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLE	ED ENTITIES		
		CONSOLII	DATED
		31 December	30 June
	Notes	2015 \$	2015 \$
ASSETS			
Current assets			
Other financial asset	3	1,224,052	
Total current assets		1,224,052	
Non-current assets			
Investments accounted for using the equity method		200	200
Total non-current assets		200	200
Total assets		1,224,252	200
LIABILITIES			
Current liabilities			
Trade and other payables		3,009,298	2,948,266
Borrowings		962,669	962,669
Total current liabilities		3,971,967	3,910,935
Non-current liabilities			
Borrowings		1,078,481	1,031,362
Total non-current liabilities		1,078,481	1,031,362
Total liabilities		5,050,448	4,942,297
Net assets (liabilities)		(3,826,196)	(4,942,097)
EQUITY			
Issued capital		45,441,170	45,441,170
Reserves		1,996,052	772,000
Accumulated losses		(51,263,418)	(51,155,267)
Total equity		(3,826,196)	(4,942,097)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

			(Consolidated	Group		
	Notes	Share Capital Ordinary \$	Accumulated Losses	Option Reserve \$	Asset Revaluation Reserve \$	Non- controlling interests \$	Total \$
Balance at 1 July 2014		45,041,170	(47,761,155)	772,000	φ -	24,500	(1,923,485)
Loss for the period Other comprehensive income for the period		-	(4,961,835)	-	-	(24,500)	(4,961,835) (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		-	-		400,000
Balance at 31 December 2014		45,441,170	(52,722,990)	772,000	-	-	(6,509,820)
Balance at 1 July 2015		45,441,170	(51,155,267)	772,000	-	-	(4,942,097)
Loss for the period Other comprehensive income for the period Gain on revaluation of financial asset		-	(108,150)	-	1 224 052	-	(108,150)
Total comprehensive income for the period			(108,150)	-	1,224,052 1,224,052	<u> </u>	1,224,052 1,115,902
Transactions with owners, recorded directly in equity							
Share issues Total transactions with owners			-	-		<u>-</u> -	
Balance at 31 December 2015		45,441,170	(51,263,417)	772,000	1,224,052	-	(3,826,196)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOW

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES		
	CONSOLIDATED HALF-YEAR	
	2015 \$	2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	(197,119)	(590,024)
Net cash outflow from operating activities	(197,119)	(590,024)
Cash flows from investing activities		
Proceeds from disposal of equity investments	150,000	_
Net cash outflow from investing activities	150,000	
Cash flows from financing activities		
Proceeds from issue of shares	-	400,000
Proceeds from borrowings	47,119	189,865
Net cash inflow from financing activities	47,119	589,865
Net increase (decrease) in cash held	-	(159)
Cash at the beginning of the financial period		159
Cash at the end of the financial period		_

 $\label{thm:companying} \textit{The accompanying notes form part of these financial statements}.$

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 2015 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 2015, 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

The Consolidated Entity experienced losses of \$108,151 (2014: \$4,961,835 loss) during the half-year ended 31 December 2015. The Consolidated entity experienced operating cash outflows of \$197,119 (2014: \$590,024 outflow) during the half-year ended 31 December 2015. Furthermore, at 31 December 2015 the Consolidated Entity had:

- cash balances of \$nil (June 2015: \$nil);
- net current liabilities of \$2,747,915 (June 2015: \$3,901,935); and
- net liabilities of \$3,826,196 (June 2015: \$4,942,097).

Further, the continuing viability of the Consolidated Entity is subject to the Consolidated Entity being successful in:

- Appealing the Supreme Court decision regarding the current repayment terms of the loan payable to Sino Strategic International Ltd (in liquidation) ("SSI") of \$1.6 million ("the SSI Case"); and
- Satisfying the settlement deed with La Jolla Cove ("LJC") by introducing buyers for the 4 million Priority One Network Group Ltd ("Priority One") shares to LJC to discharge the liability owed to LJC of US\$700,000. Once this has settled the Company will be left with 3.6 million Priority One shares.

Both of the above matters have been disclosed in further detail in Note 6 Events Occurring after Reporting Date. In the event that the Consolidated Entity is unsuccessful in either of the above matters, notwithstanding the potential for further sales of Go Green Holdings Ltd ("GGH") shares to raise settlement funds, and should additional funding not be available from either capital raisings or external financing arrangements, there would be a significant uncertainty as to whether the Consolidated Entity will be able 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.

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

The Directors, however, 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:

- The Consolidated Entity has realised sale proceeds, for cash, as at the date of this report of \$670,000 from GGH shares. An additional \$829,052 of GGH shares have been agreed to be exchanged for payment of liabilities owed by the Consolidated Entity, bringing the total value of GGH shares sold by the Consolidated Entity to \$1,499,052. 5 million shares in GGH are currently on offer to realize \$6.5 million.
- The Consolidated Entity is facilitating the listing of GGH on an Australian stock exchange by offering part of the Company's 100 million shares in GGH to professional investors. The sale proceeds will add to working capital of the Consolidated Entity and GGH. Following the GGH share sale, the Consolidated Entity will still hold 94 million GGH shares of substantial value
- The Consolidated Entity is assisting GGH to develop its China businesses in line with recently introduced Chinese government policies and initiatives, in agricultural product branding and marketing in China.
- The Consolidated Entity is expanding the uctv.fm IPTV distribution platforms in conjunction with GGH. It is capitalising on the uctv.fm IPTV network to continue to improve its value by aggregating and producing branded entertainment and infotainment content together with GGH with a TV show franchise commencing in China.
- The Consolidated Entity is able to draw down on an unused credit facility of \$468,638 from a related entity, Sino Investment Services Pty Ltd ("SISL") as at balance date. The ability for SISL to provide the unused credit facility is contingent on the value of its investments and the ability for the value of these shares to be realised.
- Supported by legal advice, the Consolidated Entity believes it has strong legal grounds for a successful appeal against the decision of the SSI Case. Documentations are being prepared appealing against this decision. The appeal process commences upon the Company filing the appeal documents at the registry in the Supreme Court.
- The Consolidated Entity has 3.6 million Priority One shares on hand following the settlement with La Jolla Cove which is discussed above. Priority One is in the process of listing on the Australian Securities Exchange. Once Priority One has listed the Consolidated Entity will look to dispose of its remaining shares in an orderly manner so as to improve its cash position. Should the listing not be successful the Consolidated Entity will look to continue to dispose of its Priority One shareholdings through off market transfers, as it has done to date, so as to help extinguish liabilities and or inject further cash into the business.

The Directors are proactively working on all of the above matters directly, and with its partners. 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.

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

2.

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

	HALF-YEAR	
	2015	2014
	\$	\$
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
Rental expense relating to operating leases	32,800	82,464
Finance costs	19,662	79,902
Amortisation of intangible assets		21,479

3. 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 has realised additional \$1,224,052 sale proceeds of GGH shares after the balance date of 31 December 2015.

The Go Green Offer of 5 million shares in GGH shares currently on offer is expected to realize approximately \$6.5 million for the Company. 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.

4. 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.

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GOCONNECT LIMITED ACN 089 240 353 AND CONTROLLED ENTITIES

5. CONTINGENT LIABILITIES

There were no contingent liabilities or contingent assets.

6. EVENTS OCCURRING AFTER REPORTING DATE

- GoConnect Ltd has an outstanding liability to Sino Strategic International Ltd (in liquidation) ("SSI") of approximately \$1.6 million under a loan agreement entered into between GoConnect Ltd and SSI in October 2003. Repayment of the loan under the agreement is at the discretion of the Board of Directors of GoConnect Ltd. Since SSI went into liquidation in 2015, the liquidator of SSI successfully challenged the repayment term of the loan agreement in the Supreme Court on 17 March 2016. Supported by legal advice, GoConnect Ltd believes the company has strong legal grounds for a successful appeal against this decision, Documentations are being prepared appealing against this decision. The appeal process commences upon the Company filing the appeal documents at the registry in the Supreme Court.
- On 31 January 2016, GoConnect Ltd and LJC entered into a new settlement deed ("Settlement Deed") capping the maximum liability owing by GoConnect Ltd to US\$700,000 and this liability was satisfied by GoConnect Ltd transferring 4 million shares in Priority One Network Group Ltd ("Priority One") held by GoConnect Ltd to LJC. GoConnect Ltd is obliged to introduce buyer(s) for these shares to LJC to realize at least US\$700,000 and LJC has the right to claim any shortfall from GoConnect 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 periods.

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 2015 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 12th day of April 2016.



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

GOCONNECT LIMITED

We have reviewed the accompanying half-year financial report of GoConnect Limited which comprises the condensed statement of financial position as at 31 December 2015, 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 2015 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 review report.

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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 2015 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 qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$108,151 (2014: \$4,961,835 loss) and had cash outflows from operating activities of \$197,119 (2014: \$590,024 outflow) during the half-year ended 31 December 2015. As of that date, the consolidated entity's current liabilities exceeded total assets by \$2,747,915 (June 2015: \$3,901,935) and the consolidated entity had cash balances of \$nil (June 2015: \$nil). These conditions, along with other matters as set forth in Note 1, indicate the existence of a significant 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 AUSTRALIA PARTNERS

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J S CROALL Partner

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Melbourne, VIC 13 April 2016