

# Appendix 4E

## Preliminary final report Year ended on 30 June 2019

### Item 1

Name of entity

GOCONNECT LIMITED

ACN or equivalent company reference

089 240 353

Current reporting period

30 June 2019

Previous corresponding period

30 June 2018

### Item 2

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		2018 \$		2019 \$	Percentage change %
<b>2.1</b> Revenues from ordinary activities	down from	1,603,558	to	80,000	-95.01%
<b>2.2</b> Profit (loss) from ordinary activities after tax attributable to members	down from	1,300,533	to	(227,479)	-117.49%
<b>2.3</b> Net profit (loss) for the period attributable to members	down from	1,300,533	to	(227,479)	-117.49%
<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

	Notes	Consolidated Group	
		Current period \$	Previous corresponding period \$
<b>Continuing operations</b>			
Revenue		80,000	1,603,558
Virtual Internet Service network operating costs		(2,155)	(2,045)
Employee benefits expense		(105,800)	(69,600)
Office rent expense		(39,208)	(38,203)
Other expenses		(160,316)	(193,177)
Share of net loss of associates		-	-
<b>Profit (loss) before income tax</b>		<b>(227,479)</b>	<b>1,300,533</b>
Income tax expense		-	-
<b>Profit (loss) from continuing operations</b>		<b>(227,479)</b>	<b>1,300,533</b>
<b>Profit(loss) attributable to:</b>			
Members of the parent entity		(227,479)	1,300,533
Non-controlling interest		-	-
		<b>(227,479)</b>	<b>1,300,533</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		(227,479)	1,300,533
Non-controlling interest		-	-
		<b>(227,479)</b>	<b>1,300,533</b>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)	2	(0.022)	0.13
Diluted earnings per share (cents)	2	(0.022)	0.13
From continuing operations:			
Basic earnings per share (cents)	2	(0.022)	0.13
Diluted earnings per share (cents)	2	(0.022)	0.13

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		214	250
<b>Total current assets</b>		<b>214</b>	<b>250</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	4	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>214</b>	<b>250</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5	1,604,875	1,651,589
<b>Total current liabilities</b>		<b>1,604,875</b>	<b>1,651,589</b>
<b>Non-current liabilities</b>			
Borrowings	6	1,406,767	1,462,610
<b>Total non-current liabilities</b>		<b>1,406,767</b>	<b>1,462,610</b>
<b>Total liabilities</b>		<b>3,011,642</b>	<b>3,114,199</b>
<b>Net assets (liabilities)</b>		<b>(3,011,428)</b>	<b>(3,113,949)</b>
<b>EQUITY</b>			
Issued capital	7	45,771,170	45,441,170
Reserves		772,000	772,000
Accumulated losses	8	(49,554,598)	(49,327,119)
<b>Total equity</b>		<b>(3,011,428)</b>	<b>(3,113,949)</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>		
Proceeds from sale of equity investments	80,000	249,450
Payments to suppliers and employees	(212,886)	(629,589)
<b>Net cash used in operating activities</b>	<b>(132,886)</b>	<b>(380,139)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	138,200	-
Proceeds from borrowings	(5,350)	376,364
<b>Net cash provided by financing activities</b>	<b>132,850</b>	<b>376,364</b>
Net increase (decrease) in cash held	(36)	(3,775)
Cash at beginning of financial year	250	4,025
<b>Cash at end of financial year</b>	<b>214</b>	<b>250</b>

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 8 in the accompanying Attachment*

**Item 9**

*NTA backing*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	(0.30) cents	(0.31) 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 “the Company” or “GCN”) decreased by 95.01% to \$80,000 for the financial year compared to \$1,603,559 in the previous year.

The consolidated operating loss after income tax of the Group was \$227,479 for the financial year compared to \$1,300,533 profit in the previous year.

**Review of Operations**

**Overview**

During the financial year ended 30 June 2019, GCN management decided to conserve the Company’s shareholding in Go Green Holdings Ltd (“Go Green Holdings”) and to minimize the sale of the Company’s shareholding in Go Green Holdings. Instead, the Company financed its ongoing operations from additional equity capital raised from exercise of GCN options. This change in financing strategy was implemented to prepare for the eventual listing of Go Green Holdings on the ASX and has resulted in a significant decline in ordinary revenue, resulting in a loss for the financial year of \$227,479 compared to a profit of \$1,300,533 in the previous financial year.

Go Green Holdings is preparing for its listing on the ASX after GCN’s shares have been reinstated for trading on the ASX. It is important for GCN to continue to improve its balance sheet prior to reinstatement of trading of its shares on the ASX in order to win the ongoing support of investors.

GCN has transformed its financial position with the significant development of Go Green Holdings which GCN co-founded and currently owns 44% of its equity.

The Group has made solid progress in restructuring its financial position. In this regard, liabilities owed to non-associates of GCN and which were not satisfied by settlement agreements (“Net External Liabilities”) fell from \$2,087,896 as at 30 June 2017 to \$359,477 as at 30 June 2019.

Go Green Holdings is raising capital directly via private placement of its shares to professional investors. Upon success of the capital raise, a significant portion of the raise will be invested in GCN to provide sufficient equity capital to the Group so as to comply with ASX guidelines to enable reinstatement of trading of GCN shares on the ASX.

In keeping with the Group’s media and communications business, Go Green Holdings represents Australian Chinese Hollywood celebrity Chris Pang for product endorsement and brand ambassadorship sales and has secured the first major endorsement deal for Chris Pang with an Augmented Reality cash voucher application originated from Australia, Zukaz. Valuable endorsement income from this transaction was earned in the form of a crypto currency Zucoins associated with Zukaz. No revenue has been brought to the accounts of Go Green Holdings yet from this transaction. Additional endorsement revenue is expected to be generated by Go Green Holdings over the next 12 months. Chris Pang's product endorsement value is expected to continue to improve with the worldwide release of the next Charlie's Angels movie in November 2019 in which he plays a prominent role.

Go Green Holdings has leveraged upon the founding shareholders' strengths in marketing, branding, media and communications, and distribution relationships to establish Natures Food Company Ltd ("Natures Food Company") together with Chris Pang. Natures Food Company specializes in the Clean Meat industry. Chris Pang is the brand ambassador and 10% shareholder of Natures Food Company.

Natures Food Company has entered into partnership agreements with a number of plant based meat producers including with the US Better Meat Co, and Taiwan's Hung Yang Foods Company Ltd, the leading textured plant protein ingredients and plant based food producer. Discussions are at an advanced stage with additional producers in Australia and Taiwan. Natures Food Company currently represents and will be co-branding over 100 plant based food products by agreements with its partners.

Natures Food Company is targeting distribution of co-branded plant based food products worldwide and has distribution relationships either directly or via its shareholders and partners in the US, Australia, Asia including Greater China, South Korea, Japan, Taiwan, and ASEAN, Sri Lanka and Indian subcontinent, Israel, Turkey, and the Middle East.

Go Green Holdings has also been focused on development of its social networking technology GoARChat, an Augmented Reality hologram chat application to be used on the smartphone. Upon completion of development and its implementation, the application will support the branding of Natures Food Company to an expected large global user base, complementing the activities of the company's brand ambassador Chris Pang. Go Green Holdings will also be promoting the brand of Natures Food Company with an extensive multi-platform social media strategy covering LinkedIn, Twitter, Instagram, and Facebook.

The rapid business development of Natures Food Company is taking place in an environment where consumers around the world are increasingly shifting towards a plant based diet resulting in sales of plant based meats in the US reportedly growing at 5 times the growth rate of slaughtered animal meats. The consumer movement towards conversion to plant based meats has also been driven by a number of factors: consumer interest in healthier eating, concern with cruelty to animals from animal factory farming, and concern that animal farming contributes to about 15% of the world's annual greenhouse gas emission.

More and more food service companies and major fast food franchises including Carl's Jr, KFC, Subway, Tim Horton, Dunkin, Burger King, etc, are expanding their menus to include plant based vegan products as consumers have demonstrated their enthusiastic support for vegan products.

Beyond Meat ("BYND") the first plant based Clean Meat company was successfully listed on 2 May 2019 on NASDAQ at US\$25 per share at an IPO valuation of US\$1.5 billion. Its IPO raised US\$241 million. Within 3 months, BYND has grown to a peak share price of US\$240, and has also completed an underwritten secondary stock offer of US\$598 million. Its shares are currently trading at about US\$165 with a market capitalization of US\$10 billion. Go Green Holdings incorporating Natures Food Company with a focus on marketing, branding, media communications, and distribution, plans to be the first plant based listing on the ASX.

GCN has had 20 years of experience in new media. The core strengths of the Group are in marketing, branding, and media communications. These strengths together with the business relationships built up in the past 40 years by the Go Green Holdings and GCN management around the world have enabled Go Green Holdings and Natures Food Company to secure partnership agreements with leading plant based food producers, providing an impressive range of over 100 quality products ready for marketing, co-branding, and distribution by Natures Food Company. Discussions are at an advanced stage to secure wholesale purchase orders for products represented by Natures Food Company.

With the rapid growth of Go Green Holdings and Natures Food Company, shareholders can expect revenue in the next 12 months from GCN including Go Green Holdings and Natures Food Company, to be contributed by income from marketing, co-branding, and distribution of plant based Clean Meat products as well as other media income from product endorsement and brand ambassadorship sales.

**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 10 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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30 August 2019  
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**

	<b>Current period</b>	<b>Previous corresponding period - Cents</b>
	<b>Cents</b>	
Basic earnings per share	(0.022)	0.13
Diluted earnings per share	(0.022)	0.13

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

	<b>Current period</b>	<b>Previous corresponding period - Number</b>
	<b>Number</b>	
	1,003,511,393	998,514,133

**3. CONTROLLED ENTITIES**

**a. Controlled Entities Consolidated**

<b>Name of the above controlled entities</b>	<b>Class of shares</b>	<b>Country of incorporation</b>	<b>% owned 2019</b>	<b>% owned 2018</b>
Uctv.fm Pty Ltd	ordinary	Australia	100	100



4. INVESTMENTS

		Current period	Previous corresponding period - \$
		\$	
Shares in Priority One Network Group Ltd	4a	-	-
Investment in an associate	4b	-	-

a. **Priority One Network Group Ltd**

The Company owns 3.6 million shares in Priority One Network Group Ltd. These shares are recorded at cost and have not been revalued as there is no active market for these shares.

b. **Investment in an associate**

Under AASB 128, a company that holds 20% or more of an investment in an associate is deemed to have significant influence over that investment and as such cannot account for that as an investment. Accordingly the Company, in holding 44.02% of Go Green Holdings and despite the Company's view of its substantial value, is unable to book an investment value for its interest in Go Green Holdings.

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	
		2019 %	2018 %	2019 \$	2018 \$
Go Green Holdings Ltd	Investment company	44.02 % Fully paid ordinary shares	44.09 % Fully paid ordinary shares	-	-

4. INVESTMENTS (CONT'D)

	Current period \$	Previous corresponding period - \$
<b>Movements in carrying amount of investment in an associate</b>		
Carrying amount at the beginning of the financial year	-	-
New investment during the year	-	-
Write off investment in associates	-	-
Share of loss after income tax	-	-
<b>Carrying amount at the end of the financial year</b>	-	-
<b>Results attributable to associate</b>		
Loss before related income tax	(41,084)	(31,120)
Income tax expense	-	-
<b>Loss after related income tax</b>	(41,084)	(31,120)
<b>Reserve attributable to associate</b>	-	-
<b>Share of associate's contingent liabilities</b>	-	-
<b>Share of associates' expenditure commitments</b>	-	-
Current assets of associate	9,797	39,110
Non-current assets of associate	-	64,020
<b>Total assets of associates</b>	<b>9,797</b>	<b>103,129</b>
Current liabilities of associate	518,935	281,993
Non-current liabilities of associate	-	-
<b>Total liabilities of associate</b>	<b>518,935</b>	<b>281,993</b>
<b>Net liabilities of associate</b>	<b>(509,138)</b>	<b>(178,864)</b>

**5. TRADE AND OTHER PAYABLES**

As at 30 June 2019, the trade and other payables owed to non-associates of GCN and which were not satisfied by settlement agreements were \$359,477.

**6. BORROWINGS**

Sino Investment Services Pty Ltd has provided a credit facility of \$2,000,000 to the Company. As at the date of this report, the credit facility has been used as to \$1,406,767.

**7. ISSUED CAPITAL**

**Ord**

**Issued and paid up capital**

1,015,014,133 (2018: 998,514,133) ordinary shares fully paid

	<b>Current period</b>	<b>Previous corresponding period - \$</b>
	<b>\$</b>	
	45,771,170	45,441,170

**Movements in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>Number of shares</b>
	No share issue during the Current period	
<b>30 June 2018</b>	<b>Balance</b>	<b>998,514,133</b>

<b>Date</b>	<b>Details</b>	<b>Number of shares</b>
26/02/2019	Options exercised @ \$0.02	10,000,000
12/03/2019	Options exercised @ \$0.02	4,000,000
10/05/2019	Options exercised @ \$0.02	2,500,000
<b>30 June 2019</b>	<b>Balance</b>	<b>1,015,014,133</b>

**8. ACCUMULATED LOSSES**

Accumulated losses at the beginning of the year

Net profit(loss) attributable to members of GoConnect Ltd

**Accumulated losses at the end of the year**

	<b>Current period</b>	<b>Previous corresponding period - \$</b>
	<b>\$</b>	
	(49,327,119)	(50,627,652)
	(227,479)	1,300,533
	<b>(49,554,598)</b>	<b>(49,327,119)</b>

**9. NOTES TO THE STATEMENTS OF CASH FLOWS**

**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:

	<b>Current period</b>	<b>Previous corresponding period - \$</b>
	<b>\$</b>	
Cash at bank and on hand	<b>214</b>	<b>250</b>

**10. OPERATING SEGMENTS**

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

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