



**GoConnect Limited**

ACN 089 240 353

Suites 1-3, Ground Floor

107-111 High Street

Prahran VIC 3181

Australia

Tel 61 3 9993 7000

Fax 61 3 9993 7099

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Company Announcement Office  
Australian Securities Exchange Limited

Dear Sir/Madam

**Re: Hollywood comes to China**

GoConnect is pleased to announce that Go JLJ Entertainment, 40% owned by GoConnect, has executed a framework agreement with the state owned Guangxi Satellite TV, one of China's major free to air TV broadcasters.

Under the agreement, Go JLJ Entertainment will partner with Guangxi Satellite TV to jointly develop "China Hollywood City" in the Guangxi Province.

Guangxi Province, with a population of 46.8 million people, is located in the southern part of China. Guangxi is bordered by Yunnan Province to the west, Guizhou Province to the north, Hunan Province to the northeast, and Guangdong Province to the east and southeast. It is also bounded by Vietnam in the southwest and the Gulf of Tonkin in the south. Guangxi's capital city Nanning, with a population of 6.6 million people is serviced by major international airlines. Direct flight from Hong Kong to Nanning only takes 1 hour and 40 minutes and from Singapore, 3 and a half hours.

The project, to be named **China Cinematic Crystal City** ("CCCC") has been approved by the Guangxi Provincial Government. The original concept of Crystal City was conceived and developed by Jermaine Jackson, founding shareholder and Chairman of Go JLJ Entertainment.

The objective of CCCC is to establish a fully functional centre to foster the development and expansion of China's movie and TV industry. The Guangxi Provincial Government has nominated three suitable cities within the province it will support for this development: Nanning, Fangchenggang and Qinzhou. CCCC will be developed at the location best suited to bring the key Hollywood people, their entertainment concepts, and relationships together with Chinese local knowledge and customs. **CCCC will be the go to place where Hollywood and China's entertainment industry stakeholders meet to do business.**

CCCC will embrace a range of activities including movie production facilities, TV studios, green screen studios, soundstages, post-production, CG and animation facilities for films and TV shows, a

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school for film, TV and professional acting. The chosen City will become the official headquarters for the global movie industry in China and the place to produce movies for the rapidly expanding Chinese entertainment market. It will also provisionally host a 5-star Jermajesty Hotel & Resort, a Jackson Life Museum and Entertainment Centre, a movie based theme park, a Walk of Fame, commercial and residential developments (“CCCC Businesses”).

Go JLJ Entertainment will bring to CCCC significant relationships and entertainment content, through the long established and trusted Hollywood and Bollywood relationships of Go JLJ Entertainment’s US directors Jermaine Jackson and Dirk Gibson. The CCCC development and Go JLJ Entertainment’s ongoing management role of CCCC will consolidate the company’s unique position in leading and influencing China’s entertainment content development.

It is envisaged that the CCCC development will take at least 10 years to complete in a number of stages and will involve investment of at least US\$10 billion. By comparison, a recently proposed Universal Studio theme park in Beijing was reported to cost US\$2 billion with a 4-year construction period.

Go JLJ Entertainment and Guangxi Satellite TV have agreed to work together to secure investors for CCCC from a number of major investment banks, major family companies and other institutions. The Guangxi Provincial government will ensure that land, human resources, tax concessions, and licenses will be provided to advance the CCCC project and to create a Hollywood in China.

### **Background to ASX Release**

More and more people in China are going to the movies. In 2013, Chinese cinema operators built 903 new cinema complexes, adding an astonishing 5,077 new cinema screens. Statistics from the State General Administration of Press, Publication, Radio, Film and Television, confirm that China now has 4,582 cinema complexes and 18,195 screens, increases of 25% and 39% respectively on 2012, with ticket sales up 32% at 612 million in 2013 from 462 million in 2012.

Previously released data from the State General Administration showed box office gross revenue rising by 27% from RMB17 billion (US\$2.75 billion) to RMB21.8 billion (US\$3.37 billion). Ticket sales are rising faster than box office takings with average price per ticket lower as theatre chains are opening cinemas in second and third tier cities.

The data also shows that cinema visits per head of population are approximately 0.5 per person per year. This is low compared with China’s neighbours in Asia – South Koreans buy an average of 4 tickets each per year – and with developed country markets.

Chinese consumer demand is widely expected to fuel similar rates of cinema building for the next several years. Industry analysts suggest that **China needs 35,000 to 40,000 screens (double the current figure) to be adequately screened. The U.S. and Canada had a combined 42,000 screens as at the end of 2012.**

Growth rates in the Chinese entertainment market are high by any comparison, fuelled by increasing consumer spending power and demand for more entertainment content. This growth is attracting a stream of Hollywood producers and directors to China, looking for scripts, locales and potential investors for the growing number of Chinese and Hollywood co-productions. However, the current situation is inefficient. Chinese firms often need to go to Hollywood to license blockbusters for release in China or to place their products in films. There is a need and an opportunity **to provide a focal point in China where Hollywood and China’s entertainment industry stakeholders can meet to do business.**

Go JLJ Entertainment, an entertainment content production and marketing company specialising on the China market and the Guangxi Provincial Government intend to provide the best location for China and Hollywood to come together in China.

Go JLJ Entertainment was founded by the musical legend Jermaine Jackson, Hollywood producer Dirk Gibson, and ASX listed internet media company GoConnect Ltd.

Yours sincerely

Richard Li  
Executive Chairman

For further information on this release, please contact Richard Li, Chairman, GoConnect Ltd, on +61 3 9937000 or email him at [media@goconnect.com.au](mailto:media@goconnect.com.au)

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