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Company Announcement Office  
Australian Securities Exchange Limited

### **Go Green Holdings Progress Report**

Please find attached a progress report delivered today to shareholders of Go Green Holdings Ltd.

Richard Li  
Chairman

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### **Go Green Holdings Ltd Progress Report to shareholders 3 May 2016**

**Go Green Holdings Group, a marketing and sales organization, is focused on agricultural investments in China.**

ASX listed GoConnect Ltd ("GCN") is a founding shareholder of Go Green Holdings Ltd ("Go Green Holdings") with an initial 100 million shares or 45.45% interest. Hong Kong corporate investor Sino Securities International (China) Ltd ("Sino China") co-founded Go Green Holdings and owns 100 million shares or 45.45% interest. Sino China has financed majority of Go Green Holdings Group's funding requirements to-date. Senior management of Go Green Holdings has been allocated 20 million shares or 10% of Go Green Holdings. Go Green Holdings owns 60% of Go Green Agri Ltd ("Agri"). Go Green Holdings was incorporated on 30 September, 2015 in Hong Kong, while Agri's incorporation in Hong Kong was completed on 3 December, 2015. In compliance with China's new Central Government policies for the agriculture industry released in August 2015, the incorporation of Go Green Holdings and Agri supports the mission of the Jianshui County Government of Yunnan Province of China to restructure its agriculture industry by introducing corporate ownership of farming interests, modern technologies and systems to the sector.

In line with the restructuring of the industry, on 8 October 2015, Go Green Holdings entered into an agreement for 15 years with Yunnan An He Agricultural Development Co Ltd ("Yunnan An He") and the Jianshui Table Grapes Farmers' Co-operative for the exclusive supply of not less than 95,000 tonnes of high quality black seedless table grapes from the 2016 harvest commencing in April 2016. Yunnan An He is a company based in Jianshui County, involved in the farm sector as a grower, marketer, and provider of value added farm services and technologies. Yunnan An He was recommended as a partner for Go Green Holdings by the Jianshui Agricultural Trade Development Board. Following the incorporation of Agri, the rights and obligations of Go Green Holdings under this agreement have been transferred to Agri.

Go Green Holdings and Agri have established their joint head office in Jianshui County with a combined team of 20 people headed by a Chief Operating Officer, with the further support of 20 technical personnel from the Yunnan Agricultural University providing technical support to the Jianshui County table grape vineyard. The combined Go Green Holdings and Agri team includes personnel responsible for legal and administration, accounting, sales and market development, packaging and logistics, agriculture technical support, liaison with the table grape farmers' co-operative and government relations.

The Jianshui County table grape vineyard has been in production for more than 12 years producing both black and red seedless table grapes. The red seedless grapes are being phased out and in 2016 are expected to comprise 10% of table grape production. From 2017, only black seedless table grapes will be produced in Jianshui County. The 2016 harvest is expected to be approximately 126 million kg, just over 1.3% of China's annual production and consumption of about 9 million tonnes of table grapes. China is the largest producer of table grapes in the world.

Jianshui's black seedless table grapes, called "Summer Black", are derived from the Japanese Kyoho variety. Kyoho grapes are the most expensive grapes in the world retailing for up to US\$100 per kg. "Summer Black" grapes is defined as the next generation of Kyoho grapes. Due to the temperate climate, good water quality, and rich soil quality of Jianshui County, the Jianshui table grapes are harvested each year between March and June. The harvest period for Jianshui table grapes is unique as confirmed by international table grape industry experts, who recently visited Jianshui County and stated that Jianshui table grapes have a unique marketing advantage as the sole supplier worldwide of freshly produced table grapes between March and June each year. At present, Jianshui table grapes are only sold within China but Go Green Holdings intends to develop a marketing partnership to address export markets for these grapes.

Significant efforts have been devoted in the past 6 months on market development and branding for the Jianshui table grapes. Two trademarks have been applied for and significant emphasis is being placed on online sales of Jianshui table grapes in China. Go Green Holdings Group's premium table grape brand is "Judith" and its equivalent Chinese name translates to "New Generation Kyoho Grape".

Close relationships have been established with two of China's largest online retailers of fresh food/fruit products. China is more advanced than any other country in the retail evolution towards mobile sales via the smartphone platform. China has 700 million smartphone users (over half of the population) with Alipay of Alibaba and Tenpay of Tencent being the dominant mobile payment platforms. Traditional grocery retailers including supermarkets in China have been losing significant sales to the largest online fresh food/fruit retailers: Fruitday.com and Yiguo.com, each has an estimated 20 million online customers.

In March 2016, Go Green Holdings hosted a visit to Jianshui County for the foremost global table grape variety breeder and licensing company to inspect the Jianshui vineyard and discuss potential cooperation. The visit was reported on China's evening TV news. Following the visit, Go Green Holdings and this US entity have reached an in-principle decision to work closely together in China including trial growing their patented table grape varieties in the Jianshui vineyard.

An independent valuation of Agri was recently undertaken for Go Green Holdings Group by the Hong Kong Stock Exchange listed independent valuation firm GCA Professional Services ("GCA"). Based on this valuation and on Go Green Holdings's 60% interest in Agri, each Go Green Holdings share can be valued at between A\$1.50 and A\$4 per share.

GCA's fair value calculation of A\$1.50 per Go Green Holdings share conservatively assumes saleable production of black seedless table grapes of 50.6 million kg in the first full year,

rising progressively to 88.5 million kg from 2021 to 2030; applying a deep discount rate of 19.8%. The higher valuation of A\$4 per Go Green Holdings share assumes saleable annual production of 126.5 million kg from 2016 to 2030 per annum and applies 16.3% discount rate. Based on their November 2015 quantitative survey results, the Jianshui Table Grape Farmers' Co-operative has certified that the 2016 harvest will be approximately 126 million kg.

GCN works closely with Go Green Holdings to apply its strong IPTV experience and media expertise to add significant value to Go Green Holdings in the China market, in brand creation, and brand marketing, capitalizing on GCN's media relationships, knowledge of the online market and the smartphone platform. As an extension to GCN's existing media marketing business, GCN is finalising an equal partnership with an overseas company, an expert in brand creation and brand marketing, to establish a product branding company ("Product Branding Partnership") which will enable Go Green Holdings to tap the branding expertise of this partnership.

Go Green Holdings is co-producing the Chinese version of a popular US TV show with the US TV show's owner and producer. Philip Chan, a director of GCN, and a legend in the Asian entertainment world, is a partner in the co-production of the Chinese version of the US TV show. The US TV show had an audience of 20 million viewers in its 2015 season. The Chinese version will be the platform for marketing the "Judith" brand of table grapes for Go Green Holdings Group. The Chinese TV show is targeted to be distributed on traditional satellite TV, IPTV, and the Virtual Reality ("VR") platform. In China, VR is fast becoming a media platform to be reckoned with alongside traditional satellite TV and IPTV. The Product Branding Partnership will add further value and credibility to the Chinese TV show. "Judith Grape" will be a key sponsor of the Chinese TV show and the "Judith" brand will be launched in May 2016 in China. Grape sales for Go Green Holdings Group is expected to commence during May 2016.

Go Green Holdings, working closely with GCN and Sino China, is now a much expanded business.