



MOKO.mobi Limited

ACN 111 082 485

ASX:MKB

T: +61 2 9419 2966

F: +61 2 9419 2944

Suite 206 / 1 Katherine Street
Chatswood, NSW, 2067, Australia

Website: corporate.moko.mobi

Email: contact@moko.mobi

APPENDIX 4D Half-year report to the Australian Stock Exchange

Name of Entity	MOKO.mobi Limited
ABN	35 111 082 485
Half year ended	31 December 2009
Previous corresponding period	31 December 2008

Results for announcement to the market

				31 Dec 2009 \$
Revenue from continuing operations	Down	37.8%	To	\$186,504
Loss from continuing operations after tax attributable to members	Up	4.0%	To	(\$1,282,987)
Net Loss for the period attributable to members	Up	4.0%	To	(\$1,282,987)

No interim dividend was paid and it is not proposed to pay any dividends.

General Overview

As reported in the 2009 Annual Report, MOKO.mobi has been giving priority to securing contracts with mobile carriers globally and going through the deployment process. We are pleased to report that the Company has continued its success in achieving the objective to broaden its global footprint for the MOKO.mobi platform although revenues are still yet to follow these new deployments.

APPENDIX 4D

Half-year report to the Australian Stock Exchange (cont.)

As at the end of January 2010, Moko.mobi has secured new carrier deals with the following:

- Verizon USA
- Telefonica, Spain
- Yoigo, Spain

MOKO.mobi is also at an advanced stage of negotiation with a major carrier in the UK and an announcement is expected in this current quarter. Preliminary negotiations have commenced with more carriers in Central and South America, Russia, Spain, USA and Italy. While these new markets are in the early stages of the business development cycle and a successful outcome cannot be assured, we are hopeful we can continue our track record in securing new carrier deals during the second half of the 2010 calendar year.

Whilst it remains difficult to predict the timing of revenues from the new carriers and this process has taken longer than anticipated, the Company hopes that over time the increase in potential users will result in an increase in revenues, against a relatively fixed cost base. A concerted effort is being planned to grow the user base and Average Revenue Per User (ARPU). This will include marketing campaigns and a possible redeployment of some key personnel to concentrate on strategic markets.

We are particularly pleased with the progress management has made with signing up new carrier deals and the future prospect of more carrier deals. However, implementation of the new contracts has taken longer than originally anticipated and it now appears unlikely that your Company will achieve sufficient revenues during the 2009/2010 year to reach a break-even position. We are assessing our methods of implementation of new contracts and are striving to improve both the time to revenue and subsequent revenue growth post implementation of these contracts. We continue our previous advice that we are not in a position to make precise forecasts, especially relating to revenues, for the reasons outlined earlier in this review of operations.

Other business development has included partnering with companies which have regional resources and expertise. An example is the Company's partnership with Triscreen Media Group (TMG). The Company will continue to seek out other such potential partners in order to fast-track the growth of MOKO.mobi.

Financial

The Company also successfully completed a placement to sophisticated investors in October 2009 at 7c per share and raised \$1.335 million in new capital. A further placement to sophisticated investors in December 2009 raised \$1.265 million at 10 cents per share.

The financial results for the period saw a 38% decrease in Sales Revenue to \$186,504 over the corresponding prior period primarily as a result of delays in bringing new carriers on-line and the decision to concentrate on the pursuit of new carrier deals rather than continue with ad hoc white label services that were mentioned in the 2009 Annual Report.

APPENDIX 4D**Half-year report to the Australian Stock Exchange (cont.)**

The operating loss after tax (excluding share based payments) was reduced to \$906,871 from \$1,069,358 in 2008 due to tighter cost control.

The operating loss after tax increased from \$1.234m at 31 December 2008 to \$1.283m at 31 December 2009 and the cash assets of the Company increased from to \$1.177m at 30 June 2009 to \$2.652m at 31 December 2009.

	Current Period 31 Dec 2009	Current Period 31 Dec 2008
Net tangible assets per ordinary share	0.02 cents	0.02 cents



MOKO.mobi Limited

ABN 35 111 082 485

Financial Report

For the half-year ended 31 December 2009



Contents

Corporate directory 3

Directors' report 4

Auditors' Independence Declaration 7

Auditors' Independent Review Report 8

Statement of Comprehensive Income 10

Statement of Financial Performance 11

Statement of changes in equity 12

Cash flow statement..... 13

Notes to financial statements..... 14

Directors' Declaration 19



Corporate directory

Directors	Greg McCann Ian Rodwell Martin Hoffman Christine Kennedy Stuart Simson Peter Yates	- Non Executive Chairman - Managing Director, CEO - Non Executive Director - Non Executive Director - Non Executive Director - Non Executive Director
Company secretary	Andrew Bursill	
Registered office	Suite 206, 1 Katherine Street, CHATSWOOD, NSW 2067 Telephone (02) 9419 2966 Fax (02) 9419 2944	
Share registry	Link Market Services Limited Level 1, 333 Collins Street Melbourne VIC 3000	
ASX code	MKB	
Listed on the ASX	27 June 2007	
Auditor	PKF Level 10, 1 Margaret Street Sydney, NSW 2000	
Bankers	National Australia Bank 105 Miller Street, North Sydney, NSW 2060	
Internet address	corporate.moko.mobi	



Directors' report

Your directors present their report on MOKO.mobi Limited ("MOKO.mobi" and "Company") for the half-year ended 31 December 2009.

Directors

The following persons were directors of MOKO.mobi during the half-year and up to the date of this report, unless otherwise noted:

Greg McCann	- Non Executive Chairman
Ian Rodwell	- Chief Executive Officer and Managing Director
Martin Hoffman	- Non Executive Director
Christine Kennedy	- Non Executive Director
Stuart Simson	- Non Executive Director
Peter Yates	- Non Executive Director

Principal activities

During the half-year the principal continuing activity of MOKO.mobi was delivering mobile social networking services to global consumers within the youth and young adult demographic. There have been no significant changes in the nature of the activities of MOKO.mobi during the half-year.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2009 (2008: nil).

Review of Operations

Overview

As reported in the 2009 Annual Report, MOKO.mobi has been giving priority to securing contracts with mobile carriers globally and going through the deployment process. We are pleased to report that the Company has continued its success in achieving the objective to broaden its global footprint for the MOKO.mobi platform although revenues are still yet to follow these new deployments.

As at the end of January 2010, Moko.mobi has secured new carrier deals with the following:

- Verizon USA
- Telefonica, Spain
- Yoigo, Spain

MOKO.mobi is also at an advanced stage of negotiation with a major carrier in the UK and an announcement is expected in this current quarter. Preliminary negotiations have commenced with more carriers in Central and South America, Russia, Spain, USA and Italy. While these new markets are in the early stages of the business development cycle and a successful outcome cannot be assured, we are hopeful we can continue our track record in securing new carrier deals during the second half of the 2010 calendar year.

Whilst it remains difficult to predict the timing of revenues from the new carriers and this process has taken longer than anticipated, the Company hopes that over time the increase in potential users will result in an increase in revenues, against a relatively fixed cost base. A concerted effort is being planned to grow the user base and Average Revenue Per User (ARPU). This will include marketing campaigns and a possible redeployment of some key personnel to concentrate on strategic markets.

We are particularly pleased with the progress management has made with signing up new carrier deals and the future prospect of more carrier deals. However, implementation of the new contracts has taken longer than originally anticipated and it now appears unlikely that your Company will achieve sufficient revenues during the 2009/2010 year to reach a break-even position. We are assessing our methods of implementation of new contracts and are striving to improve both the time to revenue and subsequent revenue growth post implementation of these contracts. We continue our previous advice that we are not in a position to make precise forecasts, especially relating to revenues, for the reasons outlined earlier in this review of operations.



Directors' report (continued)

Review of Operations (continued)

Other business development has included partnering with companies which have regional resources and expertise. An example is the Company's partnership with Triscreen Media Group (TMG). The Company will continue to seek out other such potential partners in order to fast-track the growth of MOKO.mobi.

The Company reported in December that it was exploring a potential corporate transaction and in January those negotiations ceased. The parties have reserved the right to recommence negotiations, however your Company is reviewing other potential strategies that will help leverage the MOKO.mobi platform across a broader market base and offer economies of scale; all of which will be aimed at maximising shareholder return.

Financial

Your Company is now entering 2010 with several new carrier launches due to go live over the next 6 months and it is hoped that the monthly cash burn will progressively reduce once those carrier deployments are completed and the corresponding revenue stream follows suit.

The Company also successfully completed a placement to sophisticated investors in October 2009 at 7c per share and raised \$1.335 million in new capital. A further placement to sophisticated investors in December 2009 raised \$1.265 million at 10 cents per share.

The financial results for the period saw a 38 per cent decrease in Sales Revenue to \$186,504 over the corresponding prior period primarily as a result of delays in bringing new carriers on-line and the decision to concentrate on the pursuit of new carrier deals rather than continue with ad hoc white label services that were mentioned in the 2009 Annual Report. The operating loss after tax (excluding share based payments) was reduced to \$906,871 from \$1,069,358 in 2008 due to tighter cost control.

As a result of the ongoing investment in the MOKO.mobi product, the Company successfully applied for an R&D tax concession and in September 2009 we received an R&D tax rebate totalling \$366,995.

The operating loss after tax increased from \$1.234m at 31 December 2008 to \$1.283m at 31 December 2009 and the cash assets of the Company increased from to \$1.177m at 30 June 2009 to \$2.652m at 31 December 2009.

Issue of Options

At the half-year ended 31 December 2009, the Company had issued the following options outstanding:

Options

Date	Details	Number of options 31/12/2009	Number of options 30/06/2009	Exercise Date	Exercise Price (\$)
1 July	Opening balance	20,881,668	12,765,000	-	-
19 Nov 2008	Allotment – Director II – Class A		1,500,000	25/7/2013	0.10
19 Nov 2008	Allotment – Director II – Class B		750,000	25/7/2013	0.10
19 Nov 2008	Allotment – Director II – Class C		750,000	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class A		875,000	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class B		437,500	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class C		437,500	25/7/2013	0.10
19 Nov 2008	Allotment – Employees – Class A		200,000	15/12/2012	0.20
19 Nov 2008	Allotment – Employees – Class B		100,000	15/12/2012	0.20
19 Nov 2008	Allotment – Employees – Class C		100,000	15/12/2012	0.20
16 Jan 2009	Allotment – Employee II – Class A		50,000	25/7/2013	0.10
27 Mar 2009	Allotment – Investors		1,388,889	25/7/2013	0.20
1 Apr 2009	Allotment – Investors		277,778	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		833,333	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		277,778	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		138,890	25/7/2013	0.20
19 Oct 2009	Allotment – Director III	5,500,000		25/07/2013	0.12
16 Dec 2009	Allotment – Employees III	1,950,000		25/07/2013	0.12
	Closing balance	28,331,668	20,881,668		

Directors' report (continued)

Options Reserve

Date	Details	31/12/2009	30/06/2009
		\$	\$
1 July	Opening balance	1,065,396	817,900
31 Dec 2008	Options granted to directors	-	107,343
31 Dec 2008	Options granted to employees	-	38,512
31 Dec 2008	Options granted to consultant	-	18,500
30 Jun 2009	Options granted to employees	-	13,208
30 Jun 2009	Options granted to directors	-	69,933
31 Dec 2009	Options granted to directors	266,634	-
31 Dec 2009	Options granted to employees	104,482	-
	Closing Balance	<u>1,436,512</u>	<u>1,065,396</u>

Subsequent Events

No other matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect:

- (a) MOKO.mobi operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) MOKO.mobi's state of affairs in future financial years.

Auditors' Independence Declaration

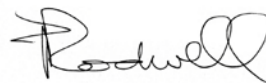
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.



Greg McCann
Chairman

25 February 2010



Ian Rodwell
Managing Director

25 February 2010



Chartered Accountants
& Business Advisers

AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the review of MOKO.mobi Limited for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief there have been:

- i no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- ii no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is made in respect of MOKO.mobi Limited.

PKF

Bruce Gordon
Partner

Dated 25 February 2010

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au

PKF | ABN 83 236 985 726

Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of MOKO.mobi Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MOKO.mobi Limited, which comprises the Statement of Financial Position as at 31 December 2009, and the Statement of Comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of MOKO.mobi Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 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 MOKO.mobi 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*.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au

PKF | ABN 83 236 985 726

Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation

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 MOKO.mobi Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 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.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the company incurred an operating loss of \$1,277,987 (2008: \$1,233,713) for the half-year ended 31 December 2009. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and therefore whether the company may realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the financial report.



PKF



Bruce Gordon
Partner

Dated 25 February 2010



Statements of Comprehensive Income

For the half-year ended 31 December 2009

	Note	31 Dec 2009	31 Dec 2008
		\$	\$
Sales revenue		186,504	299,877
Other revenue		61,579	107,208
Total revenue		248,083	407,085
Computer expenses		(171,733)	(225,522)
Marketing expenses		(68,107)	(236,958)
Travel and entertainment expenses		(89,020)	(121,828)
Occupancy expenses		(16,800)	(18,972)
Administration expenses		(194,403)	(124,347)
Finance costs		(28)	(376)
Legal and professional fees		(264,975)	(204,554)
Employee benefits expenses		(711,643)	(855,184)
Share based payments		(376,116)	(164,355)
Depreciation and amortisation		(5,240)	(10,468)
Total expenses		(1,898,065)	(1,962,564)
Loss before income tax expense		(1,649,982)	(1,555,479)
Income tax expense / (benefit)	4	(366,995)	(321,766)
Loss for the half-year after tax		(1,282,987)	(1,233,713)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,282,987)	(1,233,713)
Basic EPS (cents per share)		(1.34)	(1.67)
Diluted EPS (cents per share)		(1.34)	(1.67)

The accompanying notes form part of these financial statements.



Statements of Financial Position

As at 31 December 2009

	Note	31 Dec 2009 \$	30 June 2009 \$
Current assets			
Cash assets		2,651,579	1,176,916
Trade and other receivables		111,990	122,954
Other current assets		24,115	35,061
Total current assets		2,787,684	1,334,931
Non-current assets			
Plant and equipment		7,063	12,739
Intangible assets		740	1,682
Total non-current assets		7,803	14,421
Total assets		2,795,487	1,349,352
Current liabilities			
Trade and other payables		126,670	319,142
Short-term provisions		134,698	113,147
Total current liabilities		261,368	432,289
Total liabilities		261,368	432,289
Net assets		2,534,119	917,063
Equity			
Issued capital	6	13,015,735	10,486,808
Reserves	6	1,436,512	1,065,396
Accumulated losses		(11,918,128)	(10,635,141)
Total equity		2,534,119	917,063

The accompanying notes form part of these financial statements



Statements of Changes in Equity

For the half-year ended 31 December 2009

	Ordinary Shares \$	Capital contributions \$	Options Reserve \$	Translation Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2009	10,486,808	-	1,065,396	-	(10,635,141)	917,063
Comprehensive loss for the period					(1,282,987)	(1,282,987)
Total comprehensive loss for the period	-	-	-	-	(1,282,987)	(1,282,987)
Issue of Shares	2,600,400	-	-	-	-	2,600,400
Capital raising costs	(71,473)	-	-	-	-	(71,473)
Share based payments			371,116			371,116
Balance at 31 December 2009	13,015,735	-	1,436,512	-	(11,918,128)	2,534,119

For the half-year ended 31 December 2008

	Ordinary Shares \$	Capital contributions \$	Options Reserve \$	Translation Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2008	9,038,988	226,820	817,900	(11,349)	(8,374,802)	1,697,557
Comprehensive loss for the period	-	-	-	-	(1,233,713)	(1,233,713)
Total comprehensive loss for the period	-	-	-	-	(1,233,713)	(1,233,713)
Rights Issue of shares	1,029,995	-	-	-	-	1,029,995
Share buy back	(9,681)	-	-	-	-	(9,681)
Capital raising costs	(86,899)	-	-	-	-	(86,899)
Share based payments			164,355			164,355
Balance at 31 December 2008	9,972,403	226,820	982,255	(11,349)	(9,608,515)	1,561,614

The accompanying notes form part of these financial statements



Statements of Cash Flows

For the half-year ended 31 December 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
Cash flows from operating activities		
Receipts from customers and grants	607,096	436,358
Payments to suppliers and employees	(1,675,329)	(1,841,069)
Translation gain/(loss) realised	-	1,474
Interest paid	-	(376)
Interest received	18,969	52,263
Net cash (used in) operating activities	(1,049,264)	(1,351,350)
Cash flows from investing activities		
Proceeds from sale of non-current assets	-	-
Payment for non-current assets	-	(6,721)
Net cash (used in) investing activities	-	(6,721)
Cash flows from financing activities		
Capital raising costs	(71,473)	(77,492)
Proceeds from issues of shares and other equity securities	2,595,400	1,020,414
Repayment of loan from related parties	-	-
Loan provided to related parties	-	-
Net cash (used in) provided by financing activities	2,523,927	942,922
Net increase / (decrease) in cash held	1,474,663	(415,149)
Cash at beginning of the half-year	1,176,916	1,838,874
Cash and cash equivalents at end of the half-year	2,651,579	1,423,725

The accompanying notes form part of these financial statements

Notes to financial statements

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Moko.mobi Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2009, 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 for the adoption of the following new and revised Accounting Standards.

The wholly owned subsidiary Loop Wireless (UK) Limited was deregistered on 17 February 2009 therefore there is no consolidated entity in the half year ended 31 December 2009.

Accounting Standards not Previously Applied

The Company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

Note 1: Basis of Preparation (continued)

(a) Going concern

The Company made a total comprehensive loss of \$1,282,987 for the half-year ended 31 December 2009 (2008: \$1,233,713).

The Company's ability to continue as a going concern and develop and operate its technology platform is primarily dependent upon its ability to further expand its revenue base from increasing revenues from existing mobile network operator ("Carrier") agreements, implementation of new Carrier agreements and expansion of the Company's off-deck service (where users navigate directly to the MOKO.mobi site on their mobile phone).

In addition to revenue expansion, the Company is continuing to seek additional funds from the issue of equity in the Company to supplement existing cash reserves.

These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

The financial report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations, development, expenditure commitments and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The Directors believe that the Company will be able to fund future operations through revenue expansion and funds from the issue of new shares. At the date of this report other sources of funds are being sought to fund future working capital requirements of the Company.

The Directors believe that they will be successful in raising sufficient funds to ensure that the Company can continue to meet its debts as and when they become due and payable. However, if additional funds are not raised, the going concern basis may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Company's interim financial report. No allowance for such circumstances has been made in the interim financial report.

Note 2: Operating Segments

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on its products and service offerings. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service.

Types of product and service by segment

As of the date of this report and during the six months to 31 December 2009 the Company operates primarily in one business segment being the provision of mobile content services.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Note 2: Operating Segments (continued)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been restated to conform to the requirements of the Standard.

(i) Segment Performance

As of the date of this report and during the six months to 31 December 2009 the Company operates primarily in one business segment being, the provision of mobile content services. A geographical segment is engaged in providing this service and as such internal reports that are reviewed by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources are on a geographical basis.

(ii) Revenue by Geographical Region.

31 December 2009	Australia \$	UK \$	US \$	Philippines \$	Malaysia \$	India \$	Total \$
Revenue	117,727	13,256	3,716	50,958	647	200	186,504
Segment Result (loss from operations before income tax)	(1,718,759)	13,256	3,716	50,958	647	200	(1,649,982)
Assets	2,795,487	-	-	-	-	-	2,795,487
Liabilities	261,368	-	-	-	-	-	261,368

30 June 2009	Australia \$	UK \$	US \$	Philippines \$	Malaysia \$	India \$	Total \$
Revenue	493,371	52,504	9,183	-	-	-	555,058
Segment Result (loss from operations before income tax)	(2,870,612)	52,504	9,183	-	-	-	(2,808,925)
Assets	1,346,262	-	3,090	-	-	-	1,349,352
Liabilities	432,289	-	-	-	-	-	432,289

31 December 2008	Australia \$	UK \$	US \$	Philippines \$	Malaysia \$	India \$	Total \$
Revenue	264,194	23,866	3,149	8,668	-	-	299,877
Segment Result (loss from operations before income tax)	(1,591,162)	23,866	3,149	8,668	-	-	(1,555,479)
Assets	1,872,077	-	-	-	-	-	1,872,077
Liabilities	310,463	-	-	-	-	-	310,463

Note 3: Results for the period

The Company incurred a loss of \$1,282,987 (2008: loss of \$1,233,713).
The Company's net asset position was \$2,534,119 (2008: \$917,063).
The Company's cash inflow was \$1,474,663 (2008: cash outflow of \$415,149).

Note 4: Income tax benefit

As a result of the ongoing investment in the MOKO.mobi product, the Company successfully applied for an R&D tax concession and received, in September 2009, an R&D tax rebate totalling \$366,995.

Note 5: Dividends

There were no dividends paid for the half-year ended 31 December 2009.

Note 6: Equity securities issued

(a) Share capital

	31 Dec 2009	30 Jun 2009
	\$	\$
Fully paid ordinary shares	13,010,735	10,486,808

(b) Movements in share capital during the half-year

Date	Details	Number of shares	Issue price \$	Amount \$
1 July 2009	Opening Balance	86,812,921		10,486,808
19 October 2009	Share issue	19,077,143	0.07	1,335,400
16 December 2009	Share Issue	12,600,000	0.10	1,260,000
16 December 2009	Share Issue	50,006	0.10	5,000
	Capital raising costs			(71,473)
31 December 2009	Closing Balance	<u>118,540,070</u>		<u>13,015,735</u>

Options

Date	Details	Number of options 31/12/2009	Number of options 30/06/2009	Exercise Date	Exercise Price (\$)
1 July	Opening balance	20,881,668	12,765,000	-	-
19 Nov 2008	Allotment – Director II – Class A		1,500,000	25/7/2013	0.10
19 Nov 2008	Allotment – Director II – Class B		750,000	25/7/2013	0.10
19 Nov 2008	Allotment – Director II – Class C		750,000	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class A		875,000	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class B		437,500	25/7/2013	0.10
19 Nov 2008	Allotment – Employee II – Class C		437,500	25/7/2013	0.10
19 Nov 2008	Allotment – Employees – Class A		200,000	15/12/2012	0.20
19 Nov 2008	Allotment – Employees – Class B		100,000	15/12/2012	0.20
19 Nov 2008	Allotment – Employees – Class C		100,000	15/12/2012	0.20
16 Jan 2009	Allotment – Employee II – Class A		50,000	25/7/2013	0.10
27 Mar 2009	Allotment – Investors		1,388,889	25/7/2013	0.20
1 Apr 2009	Allotment – Investors		277,778	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		833,333	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		277,778	25/7/2013	0.20
27 Apr 2009	Allotment – Investors		138,890	25/7/2013	0.20
19 Oct 2009	Allotment – Director III	5,500,000		25/07/2013	0.12
16 Dec 2009	Allotment – Employees III	1,950,000		25/07/2013	0.12
	Closing balance	<u>28,331,668</u>	<u>20,881,668</u>		

Note 6: Equity securities issued (Continued)

(d) Options reserve

Date	Details	31/12/2009 \$	30/06/2009 \$
1 July	Opening balance	1,065,396	817,900
31 Dec 2008	Options granted to directors	-	107,343
31 Dec 2008	Options granted to employees	-	38,512
31 Dec 2008	Options granted to consultant	-	18,500
30 Jun 2009	Options granted to employees	-	13,208
30 Jun 2009	Options granted to directors	-	69,933
31 Dec 2009	Options granted to directors	266,634	-
31 Dec 2009	Options granted to employees	104,482	-
	Closing Balance	<u>1,436,512</u>	<u>1,065,396</u>

Note 7: Contingencies

There were no contingent liabilities at 31 December 2009 (2008: \$nil).

Note 8: Events occurring after the balance sheet date

No matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect:

- (a) MOKO.mobi operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) MOKO.mobi's state of affairs in future financial years.

Directors' Declaration

In the opinion of the Directors' of MOKO.mobi Limited:

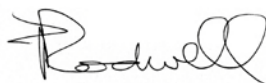
- (a) The financial statements and notes, as set out on pages 10 to 18 are in accordance with the Corporations Act 2001, including:
- i. giving a true and fair view of the financial position of the Company as at 31 December 2009 and of its performance represented by the results of its operations and its cash flows for the six months period ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that MOKO.mobi Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors'.



Greg McCann
Chairman

25 February 2010



Ian Rodwell
Managing Director

25 February 2010