



**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](http://corporate.moko.mobi)  
Email: [contact@moko.mobi](mailto:contact@moko.mobi)

## **RIGHTS ISSUE OFFER DOCUMENT**

A non-renounceable rights issue to existing shareholders of one (1) new share at an issue price of \$0.12 for every five (5) shares held to raise approximately \$2.85 million before the costs of the Offer.

**The last date for applications is 13 October 2010.**

**THIS DOCUMENT IS NOT A PROSPECTUS. THIS DOCUMENT DOES NOT CONTAIN ALL OF THE INFORMATION THAT AN INVESTOR MAY REQUIRE TO MAKE AN INFORMED DECISION REGARDING THE NEW SHARES OFFERED BY THIS DOCUMENT. THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUERIES PLEASE CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.**



### Summary of Important Dates

"Ex" Date for Entitlement to New Shares	20 September 2010
Record Date to determine your Entitlement to New Shares	24 September 2010
Expected date of dispatch of Offer and Entitlement and Acceptance Form	28 September 2010
Last day for acceptance and payment in full ("Closing Date")	13 October 2010
Expected allotment and dispatch of Holding Statements	21 October 2010
First day of trading of New Shares	22 October 2010

**Note:** These dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable. In particular, the Company reserves the right, subject to the Corporations Act and the Australian Securities Exchange Listing Rules, to extend the Closing Date or to withdraw the Rights Issue without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares.

### Important Notice

The offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of MOKO.mobi Limited (**MKB**). The Offer Document is not a disclosure statement for the purposes of Chapter 6D of the Corporations Act. MKB is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in the Offer Document is significantly less than that required under a prospectus and shareholders should consider all relevant facts and circumstances, including their knowledge of MKB and disclosures made to the ASX and should consult their professional advisers before deciding whether to accept the offer.

This Offer Document is dated 16 September 2010 and was lodged with the ASX on 16 September 2010. ASX takes no responsibility for the content of this Offer Document.

This Offer Document does not constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the offer, or the shares to be issued there under, or otherwise permit the offering of New Shares in any jurisdiction outside Australia and New Zealand

This document is important and requires your attention. It should be read in its entirety.



## Letter from the Chairman

16 September 2010

Dear Shareholder

I am pleased to invite you to participate in a 1 for 5 non-renounceable Rights Issue at \$0.12 per Share to be made by the Company (**Rights Issue**). This Offer Document outlines the details of the Rights Issue.

The Board has decided to raise a maximum of approximately \$2.85 million in new capital by way of a non-renounceable Rights Issue.

The proceeds from the Rights Issue are being used to provide working capital for the Company.

As outlined in my recent report included in the 30 June 2010 Annual Financial Statements as included in Section 3.4 of this Offer Document, the Company is also exploring other strategies including:

- joint ventures with and acquisitions of complementary content providers, in particular those who have proven success in sales via the internet and television, and who are now seeking access to the mobile market; and
- joint ventures with, and the acquisition of, specialist mobile marketing and promotions businesses.

The Company is presently in discussion with several parties in relation to these strategies, but they are at early stages of negotiation and successful completion to these discussions is uncertain at this stage.

The Rights Issue will not be underwritten, however the directors and several major shareholders have indicated they will support the issue.

A personalised Entitlement and Acceptance Form is attached and you will need to complete that Form and return it with payment by the Closing Date to participate in the Rights Issue. The Closing Date for acceptance and payment is 5.00pm (Sydney time) on Wednesday, 13 October 2010.

New Shares will, from allotment, rank equally with existing Shares. No dividend is expected to be paid on Shares in the Company in respect of the year ending 30 June 2011.

To the extent that you do not take up your Entitlement, your interest in the Company will be diluted.

In addition to your Entitlement, you are able to subscribe for New Shares in excess of your entitlement (**Additional Share Facility**). Allocations of such additional Shares will be determined by the Board and will be dependent on the extent of any shortfall in take up by other shareholders and compliance with the Corporations Act and the Listing Rules by any shareholder wishing to take up any additional Shares.



As part of the offer, the Directors also reserve the right pursuant to Listing Rule 7.2 - Exception 3, and for all other purposes, to issue any remaining shortfall at their discretion (**Investor Shortfall Facility**) after the completion of the Rights Issue, including the Additional Share Facility. The issue price of any New Shares issued under the Investor Shortfall Facility will not be less than \$0.12 per share and will be issued no later than three months after the close of the offer.

The shares issued under the Rights Issue, including the Additional Share Facility, or the Investor Shortfall Facility will be fully paid and will rank equally with Company's existing issued shares. The Company will make an application to the ASX for official quotation of these shares.

The maximum number of New Shares to be issued under the Rights Issue is 23,738,699, which would raise up to approximately \$2.85 million. If all Shareholders take up their full entitlement of Shares to be issued under the rights issue, this would result in total issued shares in the Company of 142,432,194.

Details of the Rights Issue and other matters required by law to be disclosed are set out in the Offer. Your Directors draw your attention to the courses of action available to you as set out in Section 2 of this Offer.

Yours faithfully

Greg McCann  
Chairman



## **2. Action Required by Shareholders**

### **2.1 What you may do**

The number of New Shares to which you are entitled under the Rights Issue (your **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. You may:

- (a) take up all of your Entitlement to New Shares;
- (b) take up all of your Entitlement to New Shares, and apply for additional shares under the Additional Share Facility;
- (c) take up part of your Entitlement and allow the balance to lapse;
- (d) not take up any of your Entitlement and allow it to lapse.

### **2.2 If you wish to take up all of your Entitlement**

If you wish to take up your Entitlement in full, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form. Forward your completed Entitlement and Acceptance Form together with your Australian Dollar cheque or bank draft for the amount shown on the form to reach the Registry no later than 5.00 pm (Sydney time) on 13 October 2010. Cheques or bank drafts should be made payable to "MOKO.mobi Limited" and crossed "Not Negotiable".

### **2.3 If you wish to take up all of your Entitlement, and apply for Additional Shares under the Additional Share Facility**

If you wish to take up your Entitlement in full, and apply for additional shares under the Additional Share Facility complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form, including the amount of additional shares you wish to apply for. Forward your completed Entitlement and Acceptance Form together with your Australian Dollar cheque or bank draft for the amount shown on the form to reach the Registry no later than 5.00 pm (Sydney time) on 13 October 2010. Cheques or bank drafts should be made payable to "MOKO.mobi Limited" and crossed "Not Negotiable".

### **2.4 If you wish to take up part of your Entitlement and allow the balance to lapse**

If you wish to accept part of your Entitlement and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form in respect of the number of New Shares you wish to take up in accordance with the instructions set out on the form. Forward your completed form together with your Australian Dollar cheque or bank draft for the amount due in respect of New Shares you intend to take up (being the number of New Shares you wish to accept multiplied by \$0.12) to reach the Registry no later than 5.00 pm (Sydney time) on 13 October 2010. Cheques or bank drafts should be made payable to "MOKO.mobi Limited" and crossed "Not Negotiable".

### **2.5 If your Entitlement is not taken up**

If you do nothing, your Entitlement that is not taken up by 13 October 2010 will lapse.



**2.6 Payment**

Acceptances for New Shares must be accompanied by payment in full of \$0.12 per New Share.

Payment will only be accepted in Australian currency by way of cheque or bank draft.

Cheques or bank drafts should be made payable to "MOKO.mobi Limited" and crossed "Not Negotiable". Please do not forward cash. Receipts for payment will not be provided.

**2.7 Enquiries**

For further information please call the Company on (02) 9419 2966 (within Australia) or +61 2 9419 2966 (outside Australia) during business hours.



### **3. Information about MOKO.mobi Limited**

#### **3.1 Disclosing entity information**

MKB, as a disclosing entity under the Corporations Act, is subject to regular reporting and disclosing obligations under the Corporations Act and the Listing Rules.

MKB will provide a copy of the following documents, free of charge, to any person who asks for them during the application period (i.e. between the date of dispatch of this offer document and the closing date inclusive):

- The annual financial report for the year ended 30 June 2010;
- The half-year financial report for the period ended 31 December 2009; and
- Any continuous disclosure notices given by MKB after the lodgement of the annual financial report for the year ended 30 June 2010 and before the lodgement of a copy of the offer document with the ASX.

#### **3.2 Potential effect of the offer**

The offer is a pro-rata offer so that if all shareholders take up their entitlements, the voting power of all shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the offer on the control of MKB.

However, if a shareholder does not take up their entitlement in full, there may be a dilutionary effect on that shareholder's proportional shareholdings.

The issue of New Shares may affect the control of the MKB depending on the level of take up of the issue.

Based on the current disclosures made by substantial Shareholders and their associates, the maximum percentage shareholding any existing Shareholder and its associates could attain through taking up their rights, excluding any shares acquired under the Additional Share Facility is 15.21%. This would occur in the event that the substantial shareholder P&S Yates Holdings Pty Limited and its associates are the only shareholders to take up their rights and all other Shareholders do not take up their entitlements, and there is no subsequent placement of shares under the Investor Placement Facility.

#### **3.3 Investment decision**

This offer document does not take into account the individual investment objectives, financial situation and particular needs of any shareholder.

Before deciding to take up new shares, you should consider whether the new shares are a suitable investment for you and if you have any queries you should consult your stockbroker or other professional adviser without delay.



### 3.4 Chairman's Report from 30 June 2010 Annual Financial Statements

#### Introduction

Last year, we outlined the program of developing our “user-pays” focused mobile chat and share social platform and the strategy supporting this initiative. There were several parts to that strategy but we can distil it down to the three main points:

**DEVELOP** a robust mobile community and micro-billing platform that can be integrated with mobile carriers globally;

**PROVE** the commercial model and user experience within the mobile carriers system – initially with a select group of carriers and, once proven, sign up carriers globally;

**EXPAND** via the existing and new carrier deals, undertake marketing activities to develop sustainable revenue streams, and to expand the product and platform to include complimentary digital content sales using the platform's micro-billing capabilities - including third party mobile content and advertising.

MOKO.mobi is now well positioned on the first two points and is now focused on accelerating the third stage of the plan, with significant progress in signing new carrier deals. These distribution channels now include:

- Verizon Wireless (USA)
- AT&T Wireless (USA)
- Orange (UK)
- DiGi (Malaysia)
- Maxis (Malaysia)
- Telefonica/Movistar (Spain)
- Yoigo (Spain)
- Smart (Philippines)
- Globe (Philippines)
- KPN (Netherlands)
- Du (UAE)
- PT Innotech Wireless (Indonesia)
- Eclipse Productions (Japan)

We also have a plan to explore further expansion via key global partnerships and potentially via strategic M&A to build scale and revenue growth.

#### User growth

Although the focus is always on building sustainable user-pays revenue streams, we must first establish a viable recurring membership base across each carrier. Generally this is done via a “soft-launch” approach, establishing a critical mass of users before the billing engine is turned on. This is done in consultation with the carriers and the timeframe surrounding this process is largely driven by the carrier and varies greatly. We are pleased to report to shareholders that MOKO.mobi now has over 4 million registered users and in August 2010 the service is generating over 2 million messages transacted per day and 300,000 MMS (pics and video) uploaded. Our current focus is on building our revenue streams in the geographies that will generate high “Average Revenue Per User” (ARPU) and by way of example we will explain our progress in the United States and Malaysia below.





## **Launch on AT&T in USA**

MOKO.mobi is now fully operational and promotional campaigns have begun to expose MOKO.mobi to the broader AT&T customer base in the United States. Initial results are very encouraging with over 5,000 users subscribing within the first 2 weeks of promotions, each paying US\$3.99 per month. We point out that the promotional activity to date on the AT&T network has been minimal and we plan to increase the promotions that will be ramped up significantly throughout the next 12 months. We expect this subscriber base to grow steadily over the new financial year. The Company receives a revenue share of 50% from AT&T. Further promotions are underway for the next half and will continue each month with a build up towards Christmas 2010. Once these AT&T promotions have been fully established and optimised, a similar promotion plan is scheduled for Verizon. We expect this will commence over the coming 6 months. MOKO.mobi is currently live on Verizon in "soft-launch" mode.

## **Launch on Maxis and DiGi in Malaysia**

After an initial soft launch, MOKO.mobi has built a significant Malaysian user base during the last 6 months with over 320,000 registered users. Agreement on the structure and pricing of the MOKO.mobi billing system has now been reached with both carriers and users will now be paying RM\$0.50 per day or RM\$1.00 per week, plus RM\$0.25c per MMS uploaded. During the last few months of the soft launch, the Company has been earning revenues from MMS uploads and those payments were received in July. The billing is now live on both DiGi and Maxis and revenues will flow immediately.

## **Multiple Language versions of the MOKO.mobi platform**

MOKO.mobi has now been translated into multiple languages including Spanish, Portuguese, French, German, Italian, Malay, Tagalog, and of course English. Further development has commenced to also provide MOKO.mobi in Dutch, Japanese, Greek, Russian and Chinese, including the relevant character sets required for mobile handsets in those languages and regions. This will increase the global connectivity of the MOKO.mobi community and provide further opportunities to secure new carrier contracts in these significant and emerging markets.

## **The Outlook**

Based on feedback from carriers, users and key industry participants, we believe that MOKO.mobi is one of the market's leading mobile chat and share social platforms in terms of features and flexibility. If we can succeed in building our user numbers and resultant revenues, we have a highly scalable business model that has the potential to generate above average returns for our shareholders.

However, we see a greater potential beyond the mainstream business of mobile chat and share. We believe the market is open for a mobile based social platform that can sit on the networks of the dominant carriers in the key markets around the globe. With voice and text there is generally open access across most major carriers, however the same cannot be said about mobile communications involving the sharing of digital files (for example, music, photos and videos) for which a common platform is required. We believe MOKO.mobi has the potential to be such a platform. The short to mid-term benefits to carriers from MOKO.mobi includes incremental revenue and in the longer term it provides the potential to offer carrier's customers more variety in the form of other content, services and other digital products and an incentive for pre-paid users to refrain from switching carriers.



Why is MOKO.mobi well placed for this opportunity? Essentially, because we are one of the few third parties that integrate into the carriers' billing system. This provides customers with an effective means of using their mobile phone account for paying for content, services and other digital products, a feature not readily offered to customers when accessing these via the internet. The attraction for carriers is that, together with MOKO.mobi, they can share in this potential revenue stream.

Long term success with this expanded opportunity requires us to continue signing up new carriers in key markets and ensuring we build the user base and revenues. We have done well so far, as summarised below:

**DEVELOPMENT** of a proven social chat and share technology incorporating the capability to interface into the carrier's billing system. We have also incorporated into our technology platform the capability to build an intelligent customer data base, with unique demographic profiling via our proprietary "Griffin" Customer and Content Management System (CCMS). Subject to privacy legislation, we can help carriers analyse and segment MOKO.mobi customers. This could lead to further revenue opportunities, such as sponsored advertising and promotions where a global consumer brand wants to interact with a specific user group that has been profiled by their relevant interests.

**DISTRIBUTION** via a proven micro-billing platform and signing up 18 carriers. Unlike most mobile applications where they simply sit on a carrier's portal, all 18 carriers have consented to MOKO.mobi interfacing into their billing systems.

**PENETRATION** as we start to see our user base grow and we work hard to develop a meaningful increase in revenue in the 2010/11 financial year.

**BUILDING ONE GLOBAL BRAND** - most of the broader competitors in the mobile content space are regional players and as such they don't have a global footprint or a single global brand. Even those companies that do operate in multiple regions do so under either white label brands or other localised brands. MOKO.mobi is a single global brand and we believe this will assist in virally growing the user base and offers carriers a consistent brand and message that they can support. Building a single global brand can create higher value as there is product recognition and marketing synergies. This has been proven in the online world where brands such as Amazon, eBay or Yahoo, have become household names.

**INCORPORATION OF A MICRO BILLING SYSTEM** – the Griffin CCMS together with our MOKO.mobi mobile platform incorporates a modular micro-billing capability that allows for very small peer-to-peer or purchasing transactions via "premium activity points" (such as paying to download a video or sending private media message to another user in another country). This means that the MOKO.mobi community can become like a virtual, digital shopping mall allowing for the sale and distribution of a variety of digital content or services to be sold via our platform. This means that in future we could become a conduit for third party products and services and facilitate that transaction via our carrier billing integration and receive a commission for doing so.

If we can demonstrate our ability to execute on our underlying strategy, we intend to explore the possibility of securing more content to offer carrier's customers via the MOKO.mobi platform. We will look at a number of possibilities, including joint ventures with and acquisitions of complementary content providers, in particular those who have proven success in sales via the internet and television, and who are now seeking access to the mobile market.



Marketing to the mobile market is a relatively new and developing skill. Again, if we can demonstrate our ability to execute on our underlying strategy, we intend to explore the possibility of securing access to these skills via a number of possibilities including joint ventures with, and the acquisition of, specialist mobile marketing and promotions businesses.

With the combination of all these attributes and capabilities, we are aiming to provide shareholders with the opportunity to share in an exciting company with a significant niche role in the mobile market. We do not under-estimate the time, effort and cost of developing and driving our strategies and we are enormously grateful to our shareholders for their ongoing support.



## Glossary

<b>Associate</b>	Has the same meaning as the Corporations Act
<b>ASX</b>	Australian Securities Exchange Limited ABN 98 008 624 691
<b>Closing Date</b>	5pm (Sydney time) on 13 October 2010
<b>Company</b>	MOKO.mobi Limited ACN 111 082 485
<b>Corporations Act</b>	The Corporations Act (Cth) 2001
<b>Directors</b>	Directors of MKB as at the date of this Offer Document
<b>Entitlement</b>	That number of New Shares a Shareholder is entitled to subscribe for as part of the Issue based on 1 New Share for every 5 Shares held at the Record date
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form accompanying the Offer Document
<b>Listing Rules</b>	The Listing Rules of the ASX
<b>MKB</b>	MOKO.mobi Limited ACN 111 082 485
<b>New Shares</b>	Shares to be issued pursuant to this Offer Document or under the Investor Shortfall Facility
<b>Offer</b>	The offer to subscribe for New Shares pursuant to this Offer Document by paying \$0.12 for each New Share
<b>Offer Document</b>	This Rights Issue Offer Documents dated 16 September 2010