



MOKO.MOBI LIMITED OPERATIONAL REVIEW

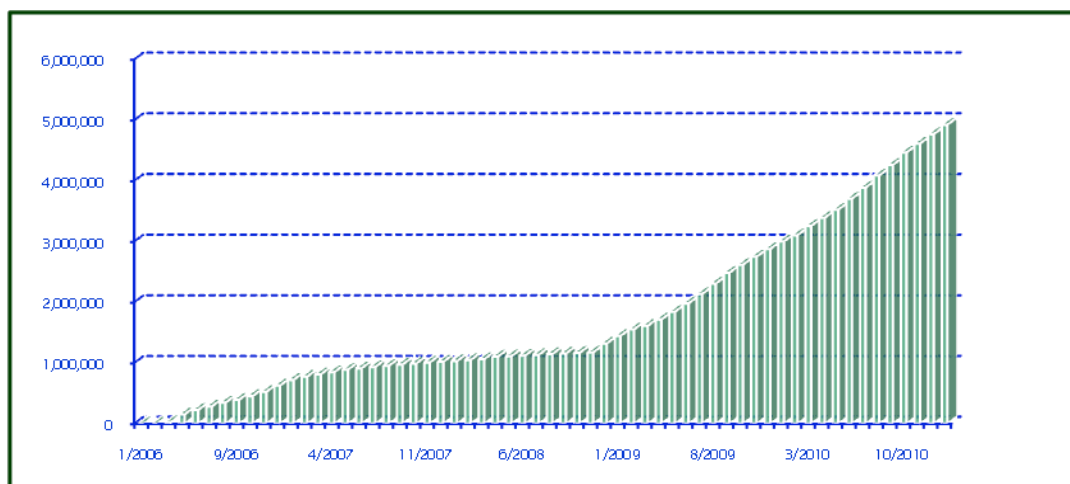
KEY HIGHLIGHTS

- **Gross revenue from Company products at the carrier level grew 124% to \$732,523 from the corresponding half-year period December 2009.**
- **Net revenues grew 105% to \$383,788 from the corresponding half-year period December 2009.**
- **MOKO's global user base grew to 4.9 million**
- **MOKO in process of completing UK acquisition of EyeVibe mobile video community from Yospace Technologies**
- **UK sales continue to grow month on month and expected to increase further after EyeVibe acquisition is completed.**
- **MOKO secures new carrier deployment with Celcom Malaysia**
- **Malaysian user base now over 500,000**
- **MOKO soft-launch in Greece and Indonesia**

INTRODUCTION

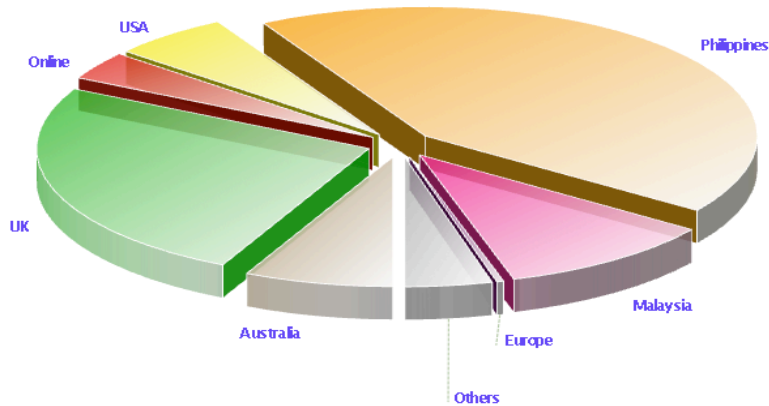
As discussed in our 2010 Annual Review, the Company has been focused on implementing the carrier deployments and general distribution of MOKO.mobi globally. Our strategy is to ensure that the global distribution and carrier billing relationships are a firm foundation from which to build sustainable revenue streams, and can form a platform on which we can also attract other partners, content providers and acquire complimentary user-bases. Revenues are beginning to grow. The first significant deployments in UK and Malaysia are going well and revenues have started to build month on month.

Despite very little marketing, the global MOKO user base has also grown particularly in the last few months, with a strong trajectory for continuing growth.



Virally, MOKO.mobi is starting to be discovered around the world, with very encouraging statistics showing that MOKO.mobi is in a strong position to exploit that growth with the investment of new marketing initiatives and strategic partnerships and acquisitions. Some key figures according to Google Analytics over the last 6 months:

- Users in over 142 countries have accessed MOKO.
- Over 27 Million people have accessed MOKO via a mobile phone
- 25% of all mobile phone subscribers in the Philippines have accessed MOKO
- 3.5% of mobile phone subscribers in Malaysia have accessed MOKO
- 3.6% of all mobile phone subscribers in Australia, 1.3% in the UK, and 0.5% in the USA have accessed MOKO. Below diagram shows current MOKO users by geography



MOKO IS WELL POSITIONED STRATEGICALLY

Background on the mobile services landscape

- | | |
|-----------|---|
| 2000-2005 | Ringtones and wallpapers, WAP games and basic chat services were the key usage and revenue drivers; |
| 2006-2008 | 3G mobile grows and services started to replicate online Internet services. News, Sport, and Music become the main drivers of usage and revenue. "Social Media" emerged as a possible key driver of mobile web usage. |
| 2009-2011 | New platform's arise, new mobile ecosystems emerge, creating a fragmented environment – many developers having to choose which platform they focus on – eg iPhone Apps, Android, etc. |
| Next... | The next 5 years are shaping to become a transformational period for mobile developers. We believe that in order to succeed long term, businesses in this space will need to possess a modular and scalable platform capable of acquiring, engaging, and extracting revenues across multiple platforms & devices. |

MOKO's customisable platform allows for a multi-channelled approach and enables the business to leverage the carrier relationships and the billing systems to reach all the mobile users wherever they are. MOKO already has an iPhone App and is currently developing an Android version as well as a social gaming element that will increase retention, and open new complimentary revenue opportunities.

CARRIER DEPLOYMENT UPDATE

During the last 6 months, the Company has been very active working on new carrier integrations and securing new distribution channels and partnerships. An update on that activity follows.

Malaysia

MOKO.mobi has now secured a third carrier, Celcom, which is Malaysia's second largest carrier with approximately 11 million customers. This latest carrier deal will give MOKO virtually full coverage in Malaysia and presents an opportunity to conduct a broader, national advertising campaign to attract more users. MOKO already has over half a million users in Malaysia. We expect to go live on Celcom within the next quarter.

Greece

We are working with our partners, Netsmart, to launch on all 3 Greek mobile carriers (Wind, Cosmote and Vodafone) during the next quarter and a promotion campaign to support the launch will follow.

Japan

The Company is currently designing a unique and purpose built mobile social network that focuses on the fashion scene that is a big part of youth culture in Japan. The service will be marketed via the many fashion schools and design colleges throughout Japan and will include the ability to provide "m-commerce" opportunities in which users can buy, sell or trade fashion items and accessories.

USA

MOKO has been working closely with its marketing partners, Cellfish Media LLC, to develop a longer-term marketing strategy to build MOKO revenues in the US. After successful trial on AT&T in the last half, we will now look to secure a longer-term promotional inventory placement and marketing program on both AT&T and Verizon. This is expected to be implemented in the second half of 2011.

ACQUISITION OF EYEVIBE VIDEO COMMUNITY IN UK

The Company has recently announced that it has entered into an agreement to acquire the "EyeVibe" video community service from Yospace Technologies in the UK. EyeVibe is one of the leading UK mobile video community services, represented on all the major UK carrier networks. This acquisition will result in the EyeVibe user base being migrated to the MOKO.mobi platform with MOKO.mobi replacing EyeVibe on the UK carrier portals. This will enable MOKO.mobi to be available on all the mobile operators in the UK and will provide MOKO.mobi with a significant increase in exposure and access to new users.

Eye Vibe has approx. 1 million users and over 100,000 unique visits each month. The EyeVibe service is profitable and will be accretive to MOKO.mobi's revenue stream. The acquisition is subject to completion of formal documentation and satisfactory due diligence, which is expected to be completed shortly. MOKO is also investigating other complimentary acquisitions and strategic partnerships that will contribute to the distribution and revenue growth of the MOKO.mobi service.

FINANCIAL

Focus will always be on building sustainable user-pays revenue streams, and this is now being represented in the UK and Malaysian markets. As we continue to deploy and ramp up marketing in new territories, such as Spain, Greece, and USA, as well as extending our reach in the established markets, we expect to see the revenue numbers continue to build.

Unaudited gross carrier sales for the first half were \$732,523 and unaudited net sales were \$383,788

During January, the Company raised \$1 million via a placement to a Swiss based strategic investor, Earl Fiduciary AG. The funds were primarily raised to facilitate the UK acquisition and the resulting technical integration and marketing. The placement was made at 10c per share and included 5 million 10c options.

Greg McCann
Chairman