



MOKO
SOCIAL
MEDIA

MOKO.mobi Limited
2011 December Half Year
Chairman's Review

CONTINUED GROWTH AND ACQUISITIONS

As evidenced by the Company's activities during 2011, the strategy of accretive acquisitions is beginning to gain momentum.

Also during 2011, there has been considerable R&D work on developing and leveraging MOKO's core platform IP and its growing carrier connectivity and relationships to expand commercial opportunities. That development has also set up a strong base for the Company to accelerate its M&A program and to refine its over-arching strategic plan.

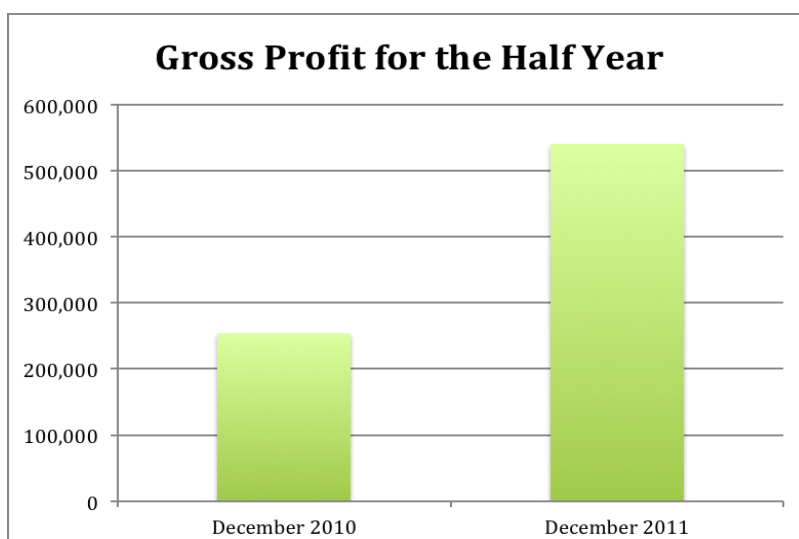
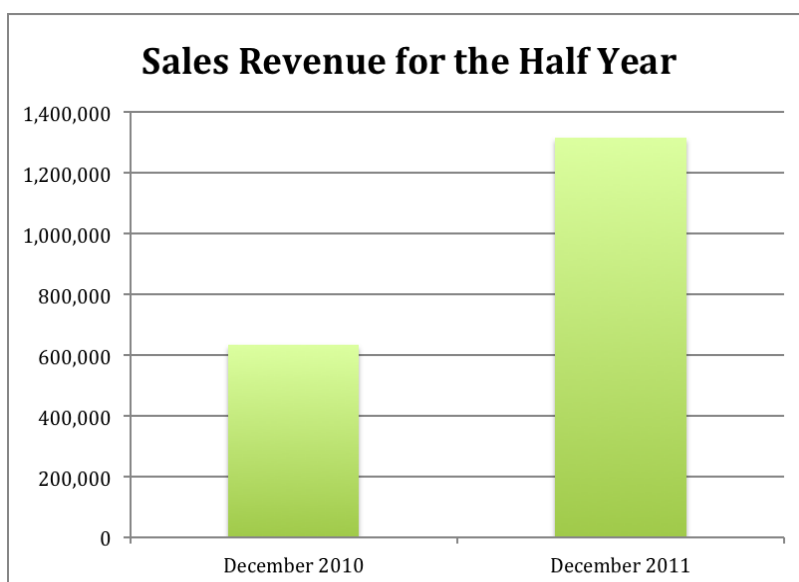
That expanded strategic plan was put to the board in January this year and formally adopted. The plan sets out an approach to focus on the mobile customer market and provide a range of content and services that exploit the MOKO platform's mobile billing capabilities, content management, CRM, and the growing user-base. This is an extension of our strategy as outlined in previous reports where we discussed the on-going technical development of the core MOKO platform.

In 2011 we focussed not so much on individual products, but more on the central platform and the integration of the different business units, particularly now that we have multiple products and brands being offered in multiple geographies. What was originally built to host our social networking chat and share solution, has now become the basis of our broader **Mobile Social Entertainment Platform** and our principle IP, effectively transforming us from a "one product" company (which was MOKO.mobi), to a creator and aggregator of a variety of mobile content and social services with significant carrier relationships. This core MOKO platform allows us to source, create, monitor, manage the billing, and collect valuable sales and user data.

In this Half Year Review, we will provide an overview of that approach and present a summary of our goals for the 2012 calendar year.

KEY HIGHLIGHTS

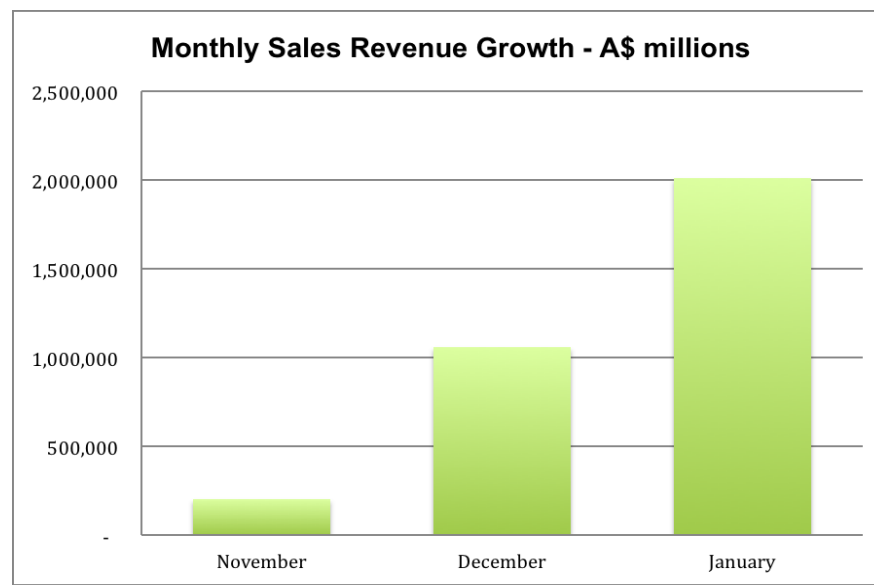
- Gross revenues for the half year ending December 2011 **INCREASED 108%**, up from the corresponding 2010 December half.
- Company's net equity **INCREASED 227%** from \$845,503 as at June 30 2011 to **\$2,763,191** as at December 2011, following the acquisition of Paper Tree Limited (PTL). This will now be known as MOKO UK.
- MOKO's global user base is now over **19 million** including the mbuzzy and PTL acquisitions.
- MOKO UK division January unaudited EBITDA was £120,519 (A\$176,800), **UP 46%** from £82,603 (A\$121,200) in December.
- Unaudited January gross sales for the MOKO Group was over **A\$2 million**.



2012 - WELL POSITIONED FOR GROWTH

We enter 2012 at a positive point in MOKO's development. Calendar 2011 was a significant year for the Company. We completed three acquisitions; EyeVibe in the UK, mBuzzy in the US and Paper Tree in the UK.

Each acquisition was successively larger than the previous one and we are now in control of a group of businesses that generated in excess of \$2 million in gross monthly sales for the months of December 2011 (on a monthly run rate basis) and January 2012.



NB: January figures are unaudited.

PAPERTREE LIMITED ACQUISITION

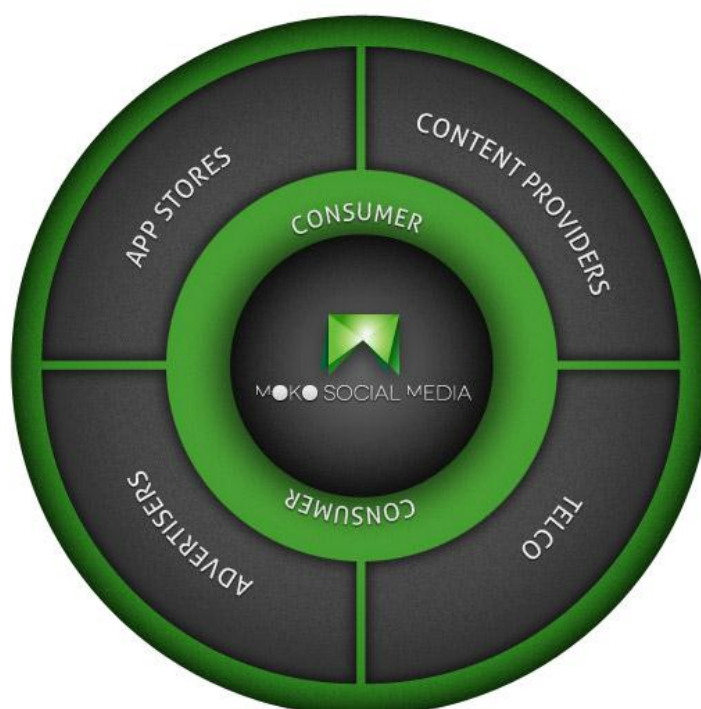
We were pleased to have completed the above acquisition on 16 December 2011. This is a strategic addition to our Company because it brings relatively large revenues, a positive EBITA contribution, access to key European markets and a business model that can be rolled out into new markets. In terms of revenue from PTL, unaudited UK gross sales for the full month of December for the UK business was £1.22m (A\$1.803m), and the unaudited net revenue for the full month of December was £610,683 (A\$904,666). However, taking into account that the new acquisition was only formalised part way during the month of December, we only recorded net revenue of £235,000 (A\$356,900) for that month. In accordance with the terms of the acquisition, all cash, bank accounts including past and current receivables, have been transferred to MOKO's control. MOKO formally took control of the UK business on December 15, 2011

STRATEGIC OVERVIEW

Following the three acquisitions completed during 2011, the Company is undergoing a rationalisation of its resources, capabilities and accompanying expenses, and with the added sales and marketing resources from the recent PTL acquisition, we have now established a program of priorities focussing on the mobile content customer and providing a variety of products and services that will be designed, hosted and then marketed from our central MOKO platform.

We remain committed to growing the business through acquisition, expansion into new markets and introducing new content and social services via our central platform. In terms of acquisitions, we are actively searching for companies or potential partners, especially those with a strong US and European user base as well as companies that will provide us with relevant content. Expansion into the US and European markets is vitally important because of their traditionally high average revenue per user or “ARPU”. In relation to new products and services, with every acquisition comes new content and we have included gaming companies on our list of possible acquisition targets as we aim to build out the in-house capabilities to create and develop our own social gaming content.

MOKO is the umbrella platform that wraps around and interacts with the four main sectors that are orbiting the mobile consumer. Our content management system, billing platform and connectivity, social networking and mobile community services, all work together to leverage the relationship with the end user.



Our strategy is designed at positioning MOKO as the mobile ‘Gateway’ to the Consumer. We have created the MOKO Social Entertainment Platform, from which we build, source, distribute and bill the content. This puts MOKO in a unique position, in that MOKO can operate across all areas of mobile activity and work closely with carriers to deliver a comprehensive service to their customers. MOKO can also provide third parties access to a growing global community where they want to reach a targeted mobile audience.

We believe that by positioning our Company as an integrated platform that solves a carrier's requirements for value added mobile services, engages users with a global community platform, and offer multiple mobile billing and monetization across multiple regions, we will have created a highly attractive business model that can continue to grow both organically and via strategic M&A.

We generate revenue from users via the two main business lines:

- Social;
- Digital Entertainment.

The MOKO Social Entertainment Platform has the capacity and carrier relationships to provide:

- ✓ Engagement
- ✓ Billing
- ✓ Monitoring & user analytics
- ✓ Monetization
- ✓ CRM

We are very encouraged by the progress made on the three acquisitions to date and the significant growth in our revenues and global footprint. Our R&D team is working hard to improve and expand on our proprietary IP that is the core MOKO platform, and we are well positioned to build on that progress. Thank you once again for your support. The board is expecting 2012 to be an exciting year for your Company.

Greg McCann
Chairman