MOKO SOCIAL MEDIA

APPENDIX 4D
Half-year report to the ASX Limited

Name of Entity	MOKO.mobi Limited
ABN	35 111 082 485
Half year ended	31 December 2011
Previous corresponding period	31 December 2010

Results for announcement to the market

				31 Dec 2011 **$**
Revenue from continuing operations	Up	108%	To	$1,314,698
Loss from continuing operations after tax attributable to members, excluding share based payments	Down	1%	To	($1,265,403)
Loss from continuing operations after tax attributable to members	Down	14%	To	($1,542,816)
Net Loss for the period attributable to members	Down	14%	To	($1, 542,816)

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

General Overview

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

Also during 2011, there has been a lot of 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 strategic plan was put to the board in January and formally adopted. The plan sets out an approach to focus on the mobile customer 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.

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.

Financial

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 month of December 2011 (on a monthly run rate basis). However taking into account that the new acquisition in UK was only formalised half way during the month of December, actual 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). 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.

Your Company continues to invest in R&D in its product and platform, and export marketing. It is expected that the Company will receive tax-offset benefits and export marketing grant payments from AustIndustry during 2012.

The cash assets of the Company at 31 December 2011 were $1,738,342.

	Current Period 31 Dec 2011	Prior Period 31 Dec 2010
Net tangible assets per ordinary share	0.03 cents	0.01 cents

MOKO SOCIAL MEDIA

Financial Report

For the half-year ended 31 December 2011

MOKO.mobi Limited

ABN 35 111 082 485

CONTENTS

Corporate Directory

Directors	Greg McCann - Non Executive Chairman Ian Rodwell - Chief Executive Officer/Managing Director Peter Yates - Non Executive Director Johannes de Back - 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 9, 333 Collins Street Melbourne VIC 3000
ASX code	MKB
Listed on the ASX	27 June 2007
Auditors	PKF Level 10, 1 Margaret Street Sydney, NSW 2000
Bankers	National Australia Bank 105 Miller Street, North Sydney, NSW 2060
Internet address	www.mokosocialmedia.com

Directors' Report

Your directors present their report on MOKO.mobi Limited for the half-year ended 31 December 2011.

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
Peter Yates	-	Non Executive Director
Johannes de Back	-	Non Executive Director

Principal activities

During the half-year the principal continuing activity of MOKO.mobi was the design and provision of mobile social entertainment and content services.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2011 (2010: nil).

REVIEW OF OPERATIONS

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 significant amounts of 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 and formally adopted. The plan sets out an approach to focus on the mobile customer 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 being offered in multiple jurisdictions. 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), 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 and overview of that approach and present a summary of our goals for the 2012 calendar year.

KEY HIGHLIGHTS

- Gross revenues for the half period ending December 2011 **INCREASED 108%,** up from the corresponding 2010 December half.
- Company's equity **INCREASED 227%** from $845,503 as at June 30 2011 to **$2,763,190** as at December 2011, following the acquisition of Paper Tree Limited (PTL).
- MOKO's global user base now over **19 million** including the mbuzzy and PTL acquisitions.
- PTL January unaudited EBITDA was £111,628 (A$164,400), **UP 35%** from £82,603 (A$122,740) in December.
- Unaudited January gross sales for the 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.

PAPERTREE LIMITED ACQUISITION

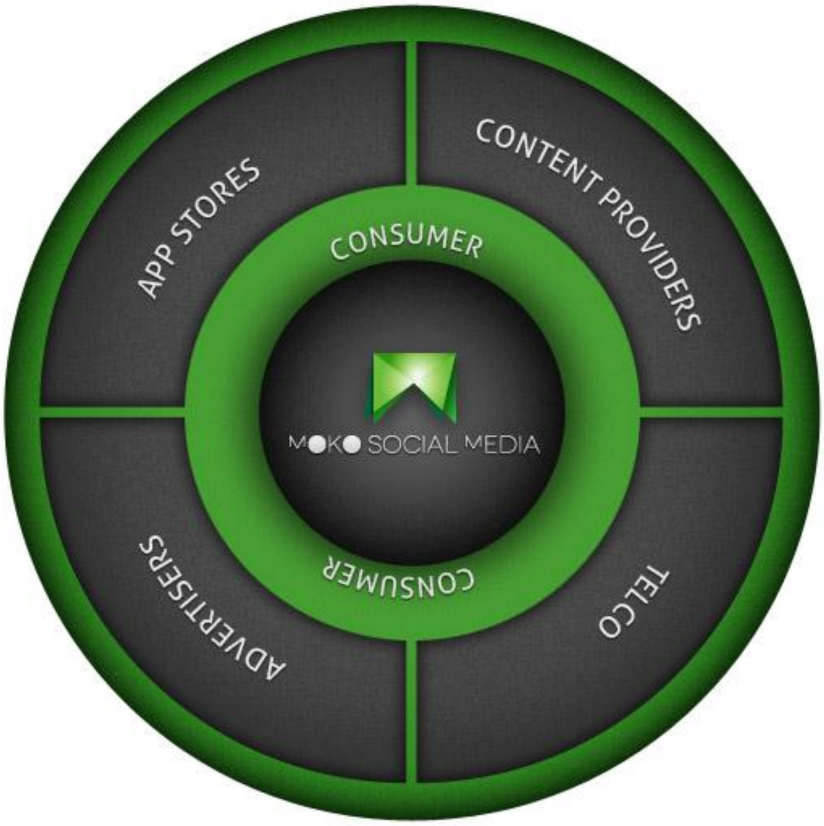
We were pleased to have completed the above acquisition on 16 December 2011. This is a strategic addition to our Company because it brings relatively large revenues, a positive EBITA contribution, access to key European markets and a business model that can be rolled out into new markets. In terms of 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 half 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 it 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 via our central platform. In terms of acquisitions, we are actively searching for potential targets, 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 ARPU. In relation to new content, with every acquisition comes new content and we have included gaming companies on our list of possible acquisition targets because we would like to have the in-house capability to create and develop our own 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 and that want to reach a targeted mobile audience.

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 and user analytics
- ✓ Monetization
- ✓ CRM

Issue of Options

During the half-year ended 31 December 2011, the following movements in the number of options on issue occurred:

Unlisted Options

Date	Details	Number of options	Exercise Date	Exercise Price ($)
30 June 2011	Opening balance	34,581,668	-	-
26 August 2011	Allotment – Employees	800,000	30 Jun 2014	$0.12
27 October 2011	Allotment – Director & Employees	14,750,000	30 Jun 2014	$0.12
	Closing balance	50,131,668		

Listed Options

Date	Details	Number of options	Exercise Date	Exercise Price ($)
30 June 2011	Opening balance	26,848,725	-	-
29 July 2011	Issued per share placement	3,564,286	25 Jul 2013	$0.10
27 October 2011	Issued per share placement - Supplier	45,428	25 Jul 2013	$0.10
27 October 2011	Issued per share placement - Director	3,571,429	25 Jul 2013	$0.10
27 October 2011	Issued per share placement – Director	14,285,714	25 Jul 2013	$0.10
27 October 2011	Issued per share placement – Acquisition	9,000,000	25 Jul 2013	$0.10
27 October 2011	Issued per exercise of options	(6)	25 Jul 2013	$0.10
	Closing balance	57,315,576		

Subsequent Events

No matter or circumstance has arisen since 31 December 2011 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.

Auditor's Independence Declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

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

Greg McCann	**Ian Rodwell**
Chairman	Managing Director
29 February 2012	29 February 2012

Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of MOKO.Mobi Limited and its controlled entities for the half year ended 31 December 2011.

I declare to the best of my knowledge and belief, in relation to the review of the financial half-year ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and

- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of MOKO.Mobi Limited and the entities it controlled during the half year ended 31 December 2011.

PKF

PKF

Arthur Milner
Partner
Sydney

29th February 2012

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PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MOKO.MOBI LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of MOKO.Mobi Limited which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises MOKO.Mobi Limited (the company) and the entities it controlled at 31 December 2011 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's 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 a 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 consolidated entity's financial position as at 31 December 2011 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*.

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Chartered Accountants
& Business Advisers

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 the consolidated entity is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 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*.

Emphasis of Matter

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a total comprehensive loss of $1,542,816 and operating cash outflow of $1,254,477 during the half-year ended 31 December 2011. These conditions, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

PKF

PKF

Arthur Milner
Partner

29th February 2012

Consolidated Statements of Comprehensive Income

For the half-year ended 31 December 2011

	Note	31 Dec 2011 $	31 Dec 2010 $
Sales revenue		1,314,698	631,918
Other income		24,878	16,023
Cost of Sale		(601,545)	(393,671)
Gross Profit		738,031	254,270
Computer expenses		(344,359)	(338,808)
Marketing expenses		(360,316)	(210,849)
Travel and entertainment expenses		(177,175)	(142,476)
Occupancy expenses		(31,575)	(17,025)
Administration expenses		(171,846)	(208,460)
Exchange loss		(45,939)	(23,407)
Finance costs		(238)	-
Legal and professional fees		(276,152)	(280,349)
Employee benefits expenses		(1,123,011)	(704,913)
Share based payments		(277,413)	(515,200)
Depreciation and amortisation		(38,748)	(5,804)
Total expenses		(2,846,772)	(2,447,291)
Loss before income tax expense		(2,108,741)	(2,193,021)
Income tax benefit	3	565,925	400,525
Loss for the half-year after tax		(1,542,816)	(1,792,496)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,542,816)	(1,792,496)
Basic EPS (cents per share)		(4.73)	(1.49)
Diluted EPS (cents per share)		(4.73)	(1.49)

The accompanying notes form part of these financial statements.

Consolidated Statements of Financial Position

As at 31 December 2011

	Note	31 Dec 2011 $	30 June 2011 $
Current assets			
Cash and cash equivalents		1,738,342	1,925,626
Trade and other receivables	5	2,527,133	329,354
Other current assets		297,044	64,813
Total current assets		4,562,519	2,319,793
Non-current assets			
Property, plant and equipment	6	1,874,375	17,079
Intangible assets		168,626	151,663
Goodwill on acquisition	7	2,144,298	-
Total non-current assets		4,187,299	168,742
Total assets		8,749,818	2,488,535
Current liabilities			
Trade and other payables	8	2,841,032	581,787
Borrowings		99,160	962,250
Provisions		107,045	98,995
Total current liabilities		3,047,237	1,643,032
Non Current liabilities			
Borrowings		2,939,391	-
Total non current liabilities		2,939,391	1,643,032
Total liabilities		5,986,628	1,643,032
Net assets		2,763,190	845,503
Equity			
Issued capital	10	18,662,653	15,603,025
Reserves	10	2,390,337	1,989,462
Accumulated losses		(18,289,800)	(16,746,984)
Total equity		2,763,190	845,503

The accompanying notes form part of these financial statements

Consolidated Statements of Changes in Equity

For the half-year ended 31 December 2011

	Ordinary Shares $	Option Reserves $	Translation Reserve $	Accumulated losses $	Total $
Balance at 1 July 2011	**15,603,025**	**1,989,462**	**-**	**(16,746,984)**	**845,503**
Comprehensive loss for the period	-	-	-	(1,542,816)	(1,542,816)
Total comprehensive loss for the period	-	-	-	(1,542,816)	(1,542,816)
Issue of Shares	3,063,691	-	-	-	3,063,691
Capital raising costs	(41,813)	-	-	-	(41,813)
Share based payments	-	472,905	-	-	472,905
Foreign exchange	-	-	(34,280)	-	(34,280)
Convertible note	37,750	(37,750)	-	-	-
Balance at 31 December 2011	**18,662,653**	**2,424,617**	**(34,280)**	**18,289,800**	**2,763,190**

For the half-year ended 31 December 2010

	Ordinary Shares $	Option Reserves $	Translation Reserve $	Accumulated losses $	Total $
Balance at 1 July 2010	**13,017,916**	**1,436,512**	**-**	**(13,408,123)**	**1,046,305**
Comprehensive loss for the period	-	-	-	(1,792,496)	(1,792,496)
Total comprehensive loss for the period	-	-	-	(1,792,496)	(1,792,496)
Issue of Shares	940,121	-	-	-	940,121
Capital raising costs	(22,867)	-	-	-	(22,867)
Share based payments	-	515,200	-	-	515,200
Balance at 31 December 2010	**13,935,170**	**1,951,712**	**-**	**(15,200,619)**	**686,263**

The accompanying notes form part of these financial statements

Consolidated Statements of Cash Flows

For the half-year ended 31 December 2011

	31 Dec 2011 $	31 Dec 2010 $
Cash flows from operating activities		
Receipts from customers and grants	1,435,349	627,157
Payments to suppliers and employees	(2,714,559)	(2,004,120)
Interest received	24,733	17,371
Net cash used in operating activities	(1,254,477)	(1,359,592)
Cash flows from investing activities		
Payment for non-current assets	(88,498)	(5,187)
Cash acquired on acquisition	829,459	-
Net cash provided by / (used in) investing activities	740,961	(5,187)
Cash flows from financing activities		
Capital raising costs	(19,106)	(22,867)
Proceeds from issues of shares and other equity securities	449,500	932,222
Net cash provided by financing activities	430,394	909,355
Net decrease in cash held	(83,122)	(455,424)
Cash at beginning of the half-year	1,925,626	1,322,506
Effects of exchange rate fluctuations	(104,162)	-
Cash and cash equivalents at end of the half-year	**1,738,342**	**867,082**

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 2011 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There is no impact, material or otherwise on the adoption of the new, revised or amended Accounting Standards.

(c) Going concern

The Company is currently operating on a negative operating cashflow basis. Net cash used in operations for the period ended 31 December 2011 was $1,254,477 (2010: $1,359,592). The Company made comprehensive loss of $1,542,816 for the period ended 31 December 2011 (2010: $1,792,496).

For the Company to achieve operating profitability, the Company requires an increase in revenue from both existing and new carrier agreements and further acquisitions. Whilst the Company has recently signed a number of new carrier agreements, it remains difficult to accurately forecast revenues from these new carrier agreements. Until the Company achieves operating profitability, it is reliant on raising additional equity funds to support its business operations.

The Directors are satisfied that adequate plans are in place to ensure that the Company 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. These include a 1:3 partially underwritten non renounceable rights issue as announced to the ASX on 20 February 2012 to raise $2Million before capital raising costs as well as receiving short term funding for six months from 20 February 2012 from certain directors for $550,000.

The financial report has therefore been prepared on the going concern basis. However, if additional funds are not raised, there is a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2: Operating Segments

MOKO.mobi Limited is organised on a global basis into the following operating segments.

Operating segment

The primary segment of the Company is the operation of a global mobile social media platform that enables people to Chat & Share Anywhere.

Geographical information

The Company operates in four geographic areas being Australia, Europe, Asia and the United States.

31 December 2011	Australia $	EUR $	US $	Asia $	Total $
Revenue	228,443	782,378	247,697	56,180	1,314,698
Assets	2,342,211	4,610,889	1,770,942	25,776	8,749,818
Liabilities	428,863	5,478,699	56,578	22,488	5,986,628

30 June 2011	Australia $	EUR $	US $	Asia $	Total $
Revenue	287,584	586,960	229,992	454,100	1,558,636
Assets	2,130,171	231,652	85,799	40,913	2,488,535
Liabilities	1,350,359	142,224	150,449	-	1,643,032

31 December 2010	Australia $	EUR $	US $	Asia $	Total $
Revenue	131,595	152,063	131,850	216,410	631,918
Assets	897,612	75,657	55,881	21,954	1,051,104
Liabilities	286,347	53,712	24,782	-	364,841

Note 3: 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 November 2011, an R&D tax rebate totalling $566,742

Note 4: Restatement of Comparatives

During the 2010/2011 financial year, the policy in regard to recognising revenue changed to more accurately present gross subscription revenue with amounts payable to carriers and aggregators as a cost of sale. This more accurately represents MOKO.mobi Limited's relationship with its carriers as being the 'Principal' rather than 'agent' as noted in AASB 118 – "Revenue". The change has meant that the sales and cost of sales for the December 2010 half year have been restated, with no impact to gross margin or profit.

Note 5: Trade and other receivables

	31 Dec 2011 $	30 Jun 2011 $
Receivables	2,535,949	379,944
Less: Provision for doubtful debts	(8,816)	(50,590)
	2,527,133	329,354

Note 6: Property, plant and equipment

	Plant and Machinery $	Office equipment $	Computer Equipment $	Furniture and fittings $	Total $
Opening net book amount (1 July 2011)	-	-	16,258	821	17,079
Fair Value recognised from business combinations	45,535	346,014	1,147,871	284,227	1,823,647
Additions	-	-	85,089	-	85,089
Disposals	-	-	-	-	-
Depreciation expense	(615)	(8,311)	(6,995)	(4,243)	(20,164)
Effects of foreign exchange movements	(1,238)	(9,409)	(12,901)	(7,728)	(31,276)
Closing net book amount at 31 December 2011	43,682	328,294	1,229,322	273,077	1,874,375
Cost	45,535	346,014	1,392,837	309,970	2,094,356
Accumulated depreciation	(615)	(8,311)	(150,614)	(29,165)	(188,705)
Accumulated currency translation adjustments	(1,238)	(9,409)	(12,901)	(7,728)	(31,276)
Net book amount at 31 December 2011	43,682	328,294	1,229,322	273,077	1,874,375

Note 7: Goodwill on acquisition

	PTL $	MBuzzy $	Total $
Cost			
At 1 July 2011	-	-	-
Additions	1,673,254	516,541	2,189,795
Impairment	-	-	-
Effect of foreign exchange movements	(45,497)	-	(45,497)
At 1 July 2011	1,627,757	516,541	2,144,298
Net Book Value			
At 31 December 2011	1,627,757	516,541	2,144,298
At 30 June 2011	-	-	-

Note 8: Trade and other payables

	31 Dec 2011 $	30 Jun 2011 $
Trade Payables	1,750,342	293,771
Other payables and accruals	1,090,690	288,016
	2,841,032	581,787

Note 9: Dividends

There were no dividends paid for the half-year ended 31 December 2011.

Note 10: Issued capital and reserves

(a) Share capital

	31 Dec 2011 $	30 Jun 2011 $
Fully paid ordinary shares 198,556,167 (30 June 2011: 147,657,592 shares)	18,662,653	15,603,025

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

Date	Details	Number of shares	Issue Price $	Amount $
1 July 2011	Opening Balance	147,657,592		15,603,025
29 July 2011	Share issue	2,850,000	0.07	199,500
29 July 2011	Share Issue	714,286	0.07	50,000
3 August 2011	Share issue	15,122,188	0.06	907,331
27 October 2011	Share issue	14,285,714	0.07	1,000,000
27 October 2011	Share issue	3,571,429	0.07	250,000
27 October 2011	Share issue	45,428	0.07	3,180
27 October 2011	Share Issue	6	0.10	1
16 December 2011	Share Issue	12,857,143	0.05	604,286
22 December 2011	Share Issue	1,285,714	0.06	77,143
22 December 2011	Share Issue	166,667	0.06	10,000
	Capital raising costs			(41,813)
	Closing Balance	198,556,167		18,662,653

(c) Options

Listed Options (exercisable at $0.10 and expiring on 25 July 2013)

Date	Details	Number of options
30 June 2011	Opening balance	26,848,725
29 July 2011	Issued per share placement	3,564,286
27 October 2011	Issued per share placement - Supplier	45,428
27 October 2011	Issued per share placement - Director	3,571,429
27 October 2011	Issued per share placement – Director	14,285,714
27 October 2011	Issued per share placement – Acquisition	9,000,000
27 October 2011	Issued per exercise of options	(6)
	Closing balance	57,315,576

Unlisted Options (exercisable at $0.12 and expiring on 30 June 2014)

Date	Details	Number of options
30 June 2011	Opening balance	34,581,668
26 August 2011	Allotment – Employees	800,000
27 October 2011	Allotment – Director & Employees	14,750,000
	Closing balance	50,131,668

Note 10: Issued capital and reserves (continued)

(d) Options reserve

Date	Details	$
1 July 2011	Opening balance	1,989,462
30 August 2011	Issue of options to staff	13,167
27 October 2011	Issue of options to Director & Employees	254,246
27 October 2011	Issue of options in consideration of acquisition	205,492
27 October 2011	Convertible loan note	(37,750)
31December 2011	Movement in foreign exchange reserve	(34,280)
	Closing Balance	2,390,337

Note 11: Contingencies

There were no contingent liabilities at 31 December 2011 (2010: $nil).

Note 12: Business Combinations

Acquisition of MBuzzy

On 26 July 2011, MOKO.mobi acquired the MBuzzy assets from SendMe Inc (**MBuzzy**), a mobile content provider based in the United States of America.

The consideration was $1,189,966 and comprised an issue of fully paid ordinary shares and share options. MOKO.mobi issued 15,122,188 fully paid ordinary shares in the Company (**Shares**) to SendMe Inc at a fair valued issue price of 6 cents per Share and 9,000,000 share options at a fair valued issue price of 2.28 cents per option.

The Shares have been valued at the share price as at the date of acquisition.

The Group has provisionally recognised the fair values of the identifiable assets and liabilities of MBuzzy based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	Fair value $	Carrying Amount $
Property, plant and equipment	673,425	673,425
Goodwill	516,541	516,541
	1,189,966	1,189,966
Consideration	**1,189,966**	
Acquisition-date fair value of consideration transferred		
Shares issued, at fair value	984,474	
Share options, at fair value	205,492	
Consideration transferred	**1,189,966**	

Note 12: Business Combinations (continued)

The consolidated statement of comprehensive income includes sales revenue and net loss for the half year ended 31 December 2011 of $194,417 and $535,569 respectively, as a result of the acquisition of MBuzzy.

Acquisition of Paper Tree Limited

On 16 December 2011, MOKO.mobi acquired 100% of the voting shares of the Paper Tree Limited group of entities (**PTL Group**), a mobile content provider based in the United Kingdom.

The entities and interests acquired are set out below:

	Entity interest	Country of incorporation
Paper Tree Limited	100%	British Virgin Islands

The consideration transferred was $703,446 and comprised an issue of fully paid ordinary shares and a future cash payment. MOKO.mobi issued 12,857,143 fully paid ordinary shares in the Company (**Shares**) to the vendors of the PTL Group at a fair valued issue price of 4.7 cents per Share, following shareholder approval at the Company's general meeting held 15 December 2011.

The Shares have been valued at the share price as at the date of acquisition.

The Group has provisionally recognised the fair values of the identifiable assets and liabilities of the PTL Group based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	Fair value $	Carrying Amount $
Property, plant and equipment	1,150,222	1,150,222
Intangible assets	41,154	41,154
Trade receivables	2,558,179	2,558,179
Cash and cash equivalents	829,459	829,459
	4,579,014	4,579,014
Loans and borrowings	(3,049,458)	(3,049,458)
Trade and other payables	(2,499,364)	(2,499,364)
	(5,548,822)	(5,548,822)
Net Liabilities	(969,808)	(969,808)
Goodwill arising on acquisition	1,673,254	
Consideration transferred	**703,446**	

Acquisition-date fair value of consideration transferred	
Shares issued, at fair value	604,286
Cash payable by 30 June 2012	99,160
Consideration transferred	**703,446**

The consolidated statement of comprehensive income includes sales revenue and net profit for the half year ended 31 December 2011 of $356,866 and $30,540 respectively, as a result of the acquisition of the PTL Group. Given the acquisition was completed on 16 December 2011, Management believes it is not reasonable to disclose the contribution of the PTL Group had the acquisition been effected on 1 July 2011.

Note 13: Events occurring after balance date

No matter or circumstance has arisen since 31 December 2011 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 12 to 22 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 2011 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

29 February 2012

Ian Rodwell
Managing Director

29 February 2012