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MOKO.mobi Limited  
ASX Release:  
Market Update

### AUDITED CORRECTION OF ERROR IN HALF-YEAR FINANCIAL STATEMENTS

- Positive impact on half-year result of approx. \$1.3m by reduction of the loss for the period from \$1,543,00 to \$277,000.
- Increase in the net asset position of the Company to \$4.075 million, up from \$2.763 million.

The Directors have become aware of an error in the half-year financial statements for the period ended 31 December 2011 released on 29 February 2012. Under ASX continuous disclosure rules the impact on the half-year financial statements has been noted below:

A loan acquired on acquisition of Paper Tree Limited was incorrectly treated as owing to external parties and shown as a Group liability of \$2.9m in the half-year financial statements released on 29 February 2012. The loan should have been eliminated as part of the acquisition as it is an intra group loan as a result of the Paper Tree acquisition and as such is not an external liability of the Group.

The key impact on the financial statements issued on 29 February 2012 is highlighted below. However, in summary the reduction of liabilities has increased the Net Asset position of the Group from \$2.76M to \$4.07M and the loss of \$1.5M for the six months to 31 December 2011 has reduced to a loss of \$276K as the assets acquired from Paper Tree, excluding the loan amount of \$2.9M exceed the fair value of the consideration paid and as such under AASB 3 "Business Combinations" the gain on acquisition is recorded in the Income Statement.

The table below outlines the key changes:

	Balance at 29 February 2012	Restated Balance at 14 March 2012
	\$'000's	\$'000's
Total Assets	8,750	7,122
Total Liabilities	(5,987)	(3,047)
Net Assets	2,763	<b>4,075</b>
Loss for the period	(1,543)	<b>(277)</b>

Greg McCann  
Chairman