



## Appendix 4E

### Preliminary Final Report to the Australian Securities Exchange

#### Part 1

<b>Name of Entity</b>	MOKO.mobi Limited
<b>ABN</b>	35 111 082 485
<b>Financial Period</b>	Year ended 30 June 2012
<b>Previous Corresponding Reporting Period</b>	Year ended 30 June 2011

#### Part 2: Results for announcement to the market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	12,632	710%
(Loss) from continuing operations after related income tax benefit	(2,012)	N/A
Net (Loss) attributable to members of the parent entity	(2,012)	N/A

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to Part 10.

## Part 3: Contents of ASX Appendix 4E

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4E
Part 4	Consolidated Statement of Comprehensive Income
Part 5	Accumulated losses
Part 6	Consolidated Statement of Financial Position
Part 7	Consolidated Statement of Changes in Equity
Part 8	Consolidated Statement of Cash Flows
Part 9	Basis of preparation
Part 10	Commentary on results
Part 11	Revenue and income
Part 12	Expenses
Part 13	Property, plant and equipment
Part 14	Intangibles
Part 15	Business combinations
Part 16	Borrowings
Part 17	Cash Flow Information
Part 18	Details relating to dividends
Part 19	Earnings per share
Part 20	Net tangible assets per security
Part 21	Issued securities
Part 22	Segment information
Part 23	Subsequent events
Part 24	Audit Status

## Part 4: Consolidated statement of comprehensive income

	2012 \$	2011 \$
<b>Revenue from continuing operations</b>	12,632,293	1,558,636
Cost of Sales	(8,510,413)	(963,601)
Gross Profit	4,121,880	595,035
Other income	62,871	158,297
Gain on acquisition of Paper Tree Limited	970,510	-
<b>Expenses</b>		
Computer expenses	(943,759)	(639,127)
Marketing expenses	(500,861)	(677,905)
Travel and entertainment expenses	(406,433)	(298,797)
Occupancy expenses	(300,904)	(35,552)
Administration expenses	(701,271)	(275,717)
Exchange Loss	(278,467)	(50,235)
Finance costs	(238)	(117)
Legal and professional fees	(812,850)	(605,191)
Employee benefits expenses	(3,070,346)	(1,381,169)
Share based payments	(289,413)	(515,200)
Depreciation and amortisation	(338,252)	(13,708)
Impairment expenses	(81,309)	-
Loss before income tax expense from continuing operations	(2,568,842)	(3,739,386)
Income tax benefit	556,567	400,525
Loss after income tax expense for the year	(2,012,275)	(3,338,861)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year attributable to owners of MOKO.mobi Limited</b>	<b>(2,012,275)</b>	<b>(3,338,861)</b>

## Part 5: Accumulated losses

	2012 \$	2011 \$
Accumulated losses brought forward	(16,746,984)	(13,408,123)
Loss after income tax expense for the year	(2,012,275)	(3,338,861)
	<b>18,759,259</b>	<b>(16,746,984)</b>

## Part 6: Consolidated statement of financial position

	2012 \$	2011 \$
<b>Current assets</b>		
Cash and cash equivalents	1,573,783	1,925,626
Trade and other receivables	2,677,021	329,354
Other current assets	341,718	64,813
<b>Total current assets</b>	<b>4,592,522</b>	<b>2,319,793</b>
<b>Non-current assets</b>		
Property, plant and equipment	793,339	17,079
Intangibles	1,394,652	151,663
<b>Total non-current assets</b>	<b>2,187,991</b>	<b>168,742</b>
<b>Total assets</b>	<b>6,780,513</b>	<b>2,488,535</b>
<b>Current liabilities</b>		
Trade and other payables	2,141,895	581,787
Borrowings	-	962,250
Employee benefits	207,054	98,995
<b>Total current liabilities</b>	<b>2,348,949</b>	<b>1,643,032</b>
<b>Non-current liabilities</b>		
Employee benefits	29,714	-
Deferred tax liability	89,750	-
<b>Total non-current liabilities</b>	<b>119,464</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,468,413</b>	<b>1,643,032</b>
<b>Net assets</b>	<b>4,312,100</b>	<b>845,503</b>
<b>Equity</b>		
Issued capital	20,685,557	15,603,025
Reserves	2,385,802	1,989,462
Accumulated losses	(18,759,259)	(16,746,984)
<b>Total equity</b>	<b>4,312,100</b>	<b>845,503</b>



## Part 7: Consolidated statement of changes in equity

Consolidated	Issued Capital \$	Foreign Currency Translation Reserve \$	Option Reserves \$	Accumulated losses \$	Total \$
Balance at 30 June 2010	13,017,916	-	1,436,512	(13,408,123)	1,046,305
Loss after income tax expense for the year	-	-	-	(3,338,861)	(3,338,861)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(3,338,861)	(3,338,861)
<b>Transactions with owners in their capacity as owners</b>					
Issue of shares	2,725,060	-	-	-	2,725,060
Capital raising costs	(139,951)	-	-	-	(139,951)
Convertible notes	-	-	37,750	-	37,750
Share based payments	-	-	515,200	-	515,200
<b>Balance at 30 June 2011</b>	<b>15,603,025</b>	<b>-</b>	<b>1,989,462</b>	<b>(16,746,984)</b>	<b>845,503</b>
Loss after income tax expense for the year	-	-	-	(2,012,275)	(2,012,275)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(2,012,275)	(2,012,275)
<b>Transactions with owners in their capacity as owners</b>					
Issue of shares	5,313,465	-	-	-	5,313,465
Capital raising costs	(268,683)	-	-	-	(268,683)
Convertible notes	37,750	-	(37,750)	-	-
Share based payments	-	-	472,905	-	472,905
Foreign exchange	-	(38,815)	-	-	(38,815)
<b>Balance at 30 June 2012</b>	<b>20,685,557</b>	<b>(38,815)</b>	<b>2,424,617</b>	<b>(18,759,259)</b>	<b>4,312,100</b>

## Part 8: Consolidated statement of cash flows

	2012 \$	2011 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	11,231,446	459,341
R&D tax offset received	566,742	400,525
Export market development grant received	26,947	27,500
Payments to suppliers and employees	(14,755,595)	(3,689,076)
Interest received	35,927	34,138
GST paid	14,260	(42,386)
Net cash used in operating activities	(2,880,273)	(2,809,958)
<b>Cash flows from investing activities</b>		
Payment for acquisition of business	(99,160)	(150,000)
Payment for non-current assets	(262,194)	(17,509)
Cash acquired on acquisition	938,768	-
Net cash from/(used in) investing activities	577,414	(167,509)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	2,607,275	2,682,222
Capital raising payments	(214,475)	(101,635)
Proceeds from convertible note	-	1,000,000
Net cash provided by financing activities	2,392,800	3,580,587
Net increase/(decrease) in cash and cash equivalents	89,941	603,120
Cash and cash equivalents at the beginning of the year	1,925,626	1,322,506
Effects of exchange rate changes on cash	(441,784)	-
<b>Cash and cash equivalents at end of the year</b>	<b>1,573,783</b>	<b>1,925,626</b>



## Part 9: Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The consolidated financial statements of MOKO.mobi Limited (the **Company**) as at and for the year ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the **Group**).

### Going concern

The Group is a mid-stage technology Company, and for most of 2011/2012 financial year was operating on a negative operating cash flow basis. Net cash used in operations for the year ended 30 June 2012 was \$2,880,273 (2011: \$2,809,958). The Group made an operating loss of \$2,012,275 for the year ended 30 June 2012 (2010: \$3,338,861).

For the Group to achieve operating profitability, the Group requires an increase in revenue from both its existing businesses and further acquisitions. The Group has seen an improvement in operating cash flows in the last six months and management expect this trend to continue in FY 12/13 with a number of new business initiatives planned.

Whilst the Group has made positive developments in integrating the mBuzzy and Paper Tree business and has recently announced the acquisition of OfferMobi USA, it remains difficult to accurately forecast revenues from these new acquisitions.

Management have plans in place that if successful in their execution, should see the Company trading profitably in the 2012/2013 financial year and together with raising sufficient funds for expansion of the Group's operations, the Directors believe the Company can continue to meet its debts as and when they become due and payable.

In addition to the new acquisitions the Company is initiating a new business model which forecasts for the Company to be cash accretive, which will ensure that the Company can continue to meet its debts as and when they become due and payable. The financial report has therefore been prepared on the going concern basis. However, should these forecasts not eventuate, there will be a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. No allowance for such circumstances has been made in the financial report.



## Part 10: Commentary on results

During the reporting period the Company acquired mBuzzy USA and Paper Tree Limited; and subsequent to the reporting period, has announced a further acquisition of OfferMobi USA.

These acquisitions have made a significant and positive impact on the revenues and future profitability of the Group and the Company enters the 2012/2013 financial year in a positive position. Whilst the Directors are not making any public forecast until the acquisitions have been fully integrated and sufficient time has passed to reliably make forward looking estimates, we do believe that with the current business plan being executed successfully, the Company will trade profitably for this coming financial year.

The Company is actively pursuing further strategic acquisitions and is focusing on the Western European and North American markets.

The Directors are pleased to report that revenues have grown by over 700% to \$12.6 million and the net assets of the Company have increased by 410% to over \$4.3 million.

Significant restructuring post the acquisitions has resulted in cost savings and a consolidation of the Group's technical resources, including a new server facility in Santa Clara, California.

The Company is now active and deriving revenues in more than a dozen countries but is focused on the more profitable markets of North America and Western Europe.

The increase in revenues over the past 6 months have been predominantly in Europe and while we believe this market will continue to be a strong contributor to the overall results for 2013, recent acquisitions and a strategic focus on expanding the MOKO platform into areas of social commerce, mobile advertising and mobile games, it is predicted that we will see the USA figure more prominently.

The Company has begun a program of structuring the business into 4 main operating sectors, being social and mobile product services, mobile commerce, mobile advertising and mobile gaming. It is in these 4 strategic areas that the Company will also focus its M&A activities.

Subsequent to the reporting period, the Company announced the plan to issue up to 25 million shares to fund the acquisition of OfferMobi USA and as at the time of release of this 4E, the Company has received either placement monies or firm commitments to subscribe for the whole 25 million shares, raising \$1 million.



## Part 11: Revenue and income

	2012 \$	2011 \$
Revenue from continuing operations	12,632,293	1,558,636
<b>Other revenue</b>		
Grants received	26,947	125,311
Interest received	35,924	32,986
	62,871	158,297
Gain on acquisition of Paper Tree Limited	970,510	-

## Part 12: Expenses

Loss before income tax from continuing operations includes the following specific expenses:

### Depreciation and amortisation

#### *Depreciation*

Computer equipment	152,004	11,888
Furniture and fittings	69,592	1,355
Total depreciation	221,596	13,243

#### *Amortisation*

Computer software	8,313	465
Customer contracts	99,686	-
Capitalised product development costs	8,657	-
Total amortisation	116,656	465

### **Total depreciation and amortisation**

**338,252**      **13,708**

### Impairment expenses

Impairment of capitalised product development costs	81,309	-
Total impairment expenses	81,309	-

### Employee benefits expense

Salaries and wages	2,965,704	1,272,614
Superannuation	104,642	108,555
Total employee benefits expense	3,070,346	1,381,169

Share based payments	289,413	515,200
----------------------	---------	---------

## Part 13: Property, plant and equipment

<b>Consolidated 2011</b>	<b>Computer equipment \$</b>	<b>Furniture and fittings \$</b>	<b>Total \$</b>
Cost	159,877	25,743	<b>185,620</b>
Accumulated depreciation	(143,619)	(24,922)	<b>(168,541)</b>
Balance at 30 June 2011	<b>16,258</b>	<b>821</b>	<b>17,079</b>
<i>Reconciliation</i>			
Balance at 1 July 2010	12,449	1,999	<b>14,448</b>
Additions	15,697	177	<b>15,874</b>
Disposals	-	-	-
Depreciation expense	(11,888)	(1,355)	<b>(13,243)</b>
Balance at 30 June 2011	<b>16,258</b>	<b>821</b>	<b>17,079</b>
<b>2012</b>			
Cost	631,557	551,919	<b>1,183,476</b>
Accumulated depreciation	(295,623)	(94,514)	<b>(390,137)</b>
Balance at 30 June 2012	<b>335,934</b>	<b>457,405</b>	<b>793,339</b>
Balance at 1 July 2011	16,258	821	<b>17,079</b>
<i>Reconciliation</i>			
Acquisitions through business combinations	462,826	630,240	<b>1,093,066</b>
Additions	10,150	1,445	<b>11,595</b>
Disposals	-	(87,869)	<b>(87,869)</b>
Depreciation expense	(152,004)	(69,592)	<b>(221,596)</b>
Effects of movements on foreign exchange rates	(1,296)	(17,640)	<b>(18,936)</b>
Balance at 30 June 2012	<b>335,934</b>	<b>457,405</b>	<b>793,339</b>

## Part 14: Intangibles

<b>Consolidated 2011</b>	<b>Computer software \$</b>	<b>Customer Contracts \$</b>	<b>Capitalised product development costs \$</b>	<b>Goodwill \$</b>	<b>TOTAL \$</b>
Cost	27,863	150,000	-	-	<b>177,863</b>
Accumulated amortisation	(26,200)	-	-	-	<b>(26,200)</b>
Balance at 30 June 2011	<b>1,663</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>151,663</b>
<i>Reconciliation</i>					
Balance at 1 July 2010	494	-	-	-	<b>494</b>
Additions	1,634	150,000	-	-	<b>151,634</b>
Disposals	-	-	-	-	<b>-</b>
Amortisation expense	(465)	-	-	-	<b>(465)</b>
Balance at 30 June 2011	<b>1,663</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>151,663</b>

<b>Consolidated 2012</b>	<b>Computer software \$</b>	<b>Customer Contracts \$</b>	<b>Capitalised product development costs \$</b>	<b>Goodwill \$</b>	<b>TOTAL \$</b>
Cost	57,288	207,411	581,443	772,675	<b>1,618,817</b>
Accumulated amortisation/impairment	(34,513)	(57,974)	(131,678)	-	<b>(224,165)</b>
Balance at 30 June 2012	<b>22,775</b>	<b>149,437</b>	<b>449,765</b>	<b>772,675</b>	<b>1,394,652</b>
<i>Reconciliation</i>					
Balance at 1 July 2011	1,663	150,000	-	-	<b>151,663</b>
Acquisitions through business combinations	-	-	515,600	772,675	<b>1,288,275</b>
Additions	30,843	57,411	74,755	-	<b>163,009</b>
Disposals	-	-	(309)	-	<b>(309)</b>
Amortisation expense	(8,313)	(57,974)	(50,369)	-	<b>(116,656)</b>
Impairment expense	-	-	(81,309)	-	<b>(81,309)</b>
Effects of movements on foreign exchange rates	(1,418)	-	(8,603)	-	<b>(10,021)</b>
Balance at 30 June 2012	<b>22,775</b>	<b>149,437</b>	<b>449,765</b>	<b>772,675</b>	<b>1,394,652</b>

### Impairment testing

Goodwill acquired through business combinations has been allocated to the following cash-generating unit:

	<b>Consolidated</b>	
	<b>2012 \$</b>	<b>2011 \$</b>
mBuzzy	<b>772,675</b>	<b>-</b>

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

## Part 15: 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, for total consideration of \$1,189,966. mBuzzy was acquired to increase the Group's customer base and expand MOKO.mobi's US presence. The goodwill of \$772,675 represents the expected synergies from merging the mBuzzy business with the MOKO.mobi business and expected increased share of the mobile content market through access to the acquiree's customer base.

The acquired business contributed revenues of \$291,264 and net loss after tax of \$1,206,085 to the Group for the period from 26 July 2011 to 30 June 2012. Management believes it is not reasonable to disclose the contribution of the mBuzzy had the acquisition been effected on 1 July 2011. The values identified in relation to the acquisition of mBuzzy are final as at 30 June 2012.

Details of the acquisition are as follows:

	Carrying Amount \$	Fair value \$
Property, plant and equipment	673,425	417,291
Net assets acquired	<u>673,425</u>	417,291
Goodwill		<u>772,675</u>
Acquisition-date fair value of the total consideration transferred		<u><u>1,189,966</u></u>
Consideration transferred		
Equity instruments issued:		
16,407,902 fully paid ordinary shares ( <b>Shares</b> )		984,474
9,000,000 options exercisable at \$0.10 each on or before 25 July 2013 ( <b>Options</b> )		<u>205,492</u>
		<u><u>1,189,966</u></u>
Acquisition costs expensed to profit or loss		<u><u>77,396</u></u>

#### *Equity instruments issued*

The fair value of the equity instruments issued was based on the listed security prices of the Company at 26 July 2011, of:

- 6 cents per Share; and
- 2.28 cents per Option.

### 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, for total consideration of \$703,446.

The entities and interests acquired are set out below:

	Entity interest	Country of incorporation
Paper Tree Limited	100%	British Virgin Islands
American Mobile Ventures Ltd	100%	England
Antiphony Management Holdings Ltd	100%	England
Antiphony Ltd	100%	England
Blue Stream Mobile	100%	England
Cell Media International Ltd	100%	England
Mobgains Ltd	100%	England
Southern Breeze Trading 3 Pty Ltd	100%	South Africa

## Part 15: Business combinations (continued)

PTL Group was acquired to expand the Group's product portfolio, product development capabilities, customer base and market presence. The acquisition is expected to provide the Group with an increased share of the mobile content market through access to the acquiree's customer base and increased product portfolio. The Group also expects to reduce costs through economies of scale.

The acquired business contributed revenues of \$10,909,809 and net profit pre tax of \$329,960 to the Group for the period from 16 December 2011 to 30 June 2012. If the acquisition occurred on 1 July 2011, the full year contributions would have been revenues of \$15,339,535 and net loss after tax of \$1,087,389. The values identified in relation to the acquisition of PTL Group are final as at 30 June 2012.

Details of the acquisition are as follows:

	<b>Carrying Amount</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>
Property, plant and equipment	1,150,222	1,150,222
Intangible assets	41,154	41,154
Trade receivables	2,313,508	1,892,411
Cash and cash equivalents	938,768	938,768
	<u>4,443,652</u>	<u>4,022,555</u>
Loans and borrowings	(3,049,458)	(27,907)
Trade and other payables	(2,375,300)	(2,320,692)
	<u>(5,424,758)</u>	<u>(2,348,599)</u>
Net (liabilities)/assets acquired	<u>(981,106)</u>	<u>1,673,956</u>
Bargain acquisition		<u>(970,510)</u>
Acquisition-date fair value of the total consideration transferred		<u><b>703,446</b></u>
<b>Consideration transferred</b>		
Equity instruments issued (12,857,143 fully paid ordinary shares)		604,286
Cash		<u>99,160</u>
		<u><b>703,446</b></u>
Acquisition costs expensed to profit or loss		<u><b>23,191</b></u>

### *Equity instruments issued*

The fair value of the fully paid ordinary shares issued was based on the listed share price of the Company at 16 December 2011 of: 4.7 cents per share.

The issue of shares was approved by shareholders at the Company's general meeting held 15 December 2011.

### *Bargain acquisition*

A bargain acquisition has arisen as the fair value of assets acquired exceed the consideration paid for Paper Tree Limited.

## Part 16: Borrowings

	2012 \$	2011 \$
Convertible notes	-	962,250

A \$1,000,000 convertible notes loan was issued at 30 June 2011 with a maturity date of 6 months, recorded at amortised cost at the balance sheet date. Each note had a face value of \$0.07 and one additional listed 10c option for each share issued for no additional consideration.

On 27 October 2011, convertible notes of \$1,000,000 were repaid by way of issue of 14,285,714 fully paid ordinary shares and 14,285,714 options exercisable at \$0.10 each on or before 25 July 2013.

A further \$250,000 convertible notes loan was issued on 14 September 2011 with a maturity date of 6 months. Each note had a face value of \$0.07 and one additional listed 10c option for each share issued for no additional consideration.

On 27 October 2011, the convertible notes of \$250,000 were repaid by way of issue of 3,571,429 fully paid ordinary shares and 3,571,429 options exercisable at \$0.10 each on or before 25 July 2013.

There was no interest coupon payable on the face value of the notes.

## Part 17: Cash Flow Information

	2012 \$	2011 \$
<b>(a) Reconciliation of cash flow from operations with loss after income tax</b>		
Loss after income tax expense for the year	(2,012,275)	(3,338,861)
Adjustments for:		
Depreciation and amortisation	338,252	13,708
Foreign exchange differences	286,332	-
Impairment expenses	81,309	-
Fixed asset write offs	178,413	-
Share based payments	369,407	515,200
Move in reserves	15,700	-
Doubtful debts expense	-	50,352
Other movements	(329,959)	-
Gain on acquisition of Paper Tree Limited	(970,510)	-
Changes in operating assets and liabilities:		
(Increase) in receivables	(2,347,668)	(260,062)
(increase) in other assets	(276,905)	(7,982)
Increase in payables	1,560,107	246,693
Increase/(decrease) in provisions	137,774	(29,006)
Increase in deferred tax liability	89,750	-
<b>Net cash used in operating activities</b>	<b>(2,880,273)</b>	<b>(2,809,958)</b>

### (b) Non-cash investing and financing activities

On 26 July 2011, the Company acquired the mBuzzy asset from SendMe Inc. The consideration was \$1,189,966 and comprised an issue of fully paid ordinary shares and options. MOKO.mobi issued 16,407,902 fully paid ordinary shares and 9,000,000 options exercisable at \$0.10 each on or before 7 June 2013 in the Company to SendMe Inc. Refer to Part 15 for further details of this business combination.



## Part 17: Cash Flow Information

On 16 December 2011, the Company acquired 100% of the voting shares of the Paper Tree Limited group of entities (**PTL Group**). The consideration was \$703,446 and partly comprised an issue of fully paid ordinary shares. MOKO.mobi issued 12,857,143 fully paid ordinary shares in the Company to the vendors of PTL Group. The issue of shares was approved by shareholders at the Company's general meeting held 15 December 2011. Refer to Note 15 for further details of this business combination.

On 27 October 2011, convertible notes of \$1,000,000 were repaid by way of issue of 14,285,714 fully paid ordinary shares and 14,285,714 options exercisable at \$0.10 each on or before 25 July 2013. Refer to Note 16 for further details of these convertible notes.

On 27 October 2011, convertible notes of \$250,000 were repaid by way of issue of 3,571,429 fully paid ordinary shares and 3,571,429 options exercisable at \$0.10 each on or before 25 July 2013. Refer to Note 16 for further details of these convertible notes.

During the year, the Company issued the following fully paid ordinary shares in satisfaction of professional fees payable to consultants of the Company:

Date	Details	Number of shares	Issue Price \$	Amount \$
29 July 2011	Share issue in lieu of services	714,286	0.07	50,000
27 October 2011	Share issue in lieu of services	45,428	0.07	3,180
22 December 2011	Share issue in lieu of services	166,666	0.06	10,000
4 April 2012	Share issue in lieu of services	400,000	0.03	12,000
26 June 2012	Share issue in lieu of services	714,286	0.07	50,000
26 June 2012	Share issue in lieu of services	966,666	0.03	30,000

These transactions are not reflected in the Statement of Cash Flows.

## Part 18: Details Relating to Dividends

Date the dividend is payable	<b>Not Applicable</b>
Record date to determine entitlement to the dividend	<b>Not Applicable</b>
Amount per security	<b>Not Applicable</b>
Total dividend	<b>Not Applicable</b>
Amount per security of foreign sourced dividend or distribution	<b>Not Applicable</b>
Details of any dividend reinvestment plans in operation	<b>Not Applicable</b>
The last date for receipt of an election notice for participation in any dividend reinvestment plans	<b>Not Applicable</b>

## Part 19: Earnings per Share

	2012 \$	2011 \$
<b>Earnings per share from continuing operations</b>		
Loss after income tax attributable to owners of MOKO.mobi Limited	(2,012,275)	(3,338,861)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	129,689,791	128,542,760
	2012 cents	2011 cents
Basic earnings per share	(1.55)	(2.60)

### (b) Diluted earnings per share

Options issued to shareholders and related parties are considered to be potential ordinary shares and have been considered in the determination of diluted earnings per share. The calculation of dilutive earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. Diluted earnings per share are therefore not different from basic earnings per share.

## Part 20: Net Tangible Assets per Security

	2012	2011
Net tangible asset backing per ordinary security Fully paid ordinary shares 272,562,932 (2011: 147,657,592 shares)	1.07 cents	0.47 cents





## Part 21: Issued securities

	2012 \$	2011 \$
Fully paid ordinary shares 272,562,932 (2011: 147,657,592 shares)	20,685,557	15,603,025

### (a) Ordinary shares

The following movements in ordinary share capital occurred during the year:

Date	Details	Number of shares	Issue Price \$	Amount \$
1 July 2011	Opening balance	147,657,592		15,603,025
29 July 2011	Shares issue by placement	2,850,000	0.07	199,500
29 July 2011	Share issue in lieu of services	714,286	0.07	50,000
3 August 2011	Share issue to acquire mBuzzy	15,122,188	0.06	907,331
27 October 2011	Share issue on conversion of notes	14,285,714	0.07	1,000,000
27 October 2011	Share issue on conversion of notes	3,571,429	0.07	250,000
27 October 2011	Share issue in lieu of services	45,428	0.07	3,180
27 October 2011	Share issue on conversion of options	6	0.10	1
16 December 2011	Share issue to acquire Paper Tree Limited	12,857,143	0.05	604,286
22 December 2011	Share issue pursuant to anti-dilution clause for mBuzzy	1,285,714	0.06	77,143
22 December 2011	Share issue in lieu of services	166,666	0.06	10,000
27 March 2012	Share issue pursuant to Entitlements issue	37,225,815	0.03	1,116,774
4 April 2012	Share issue pursuant to Entitlements issue	33,533,333	0.03	1,006,000
4 April 2012	Share issue in lieu of services	400,000	0.03	12,000
20 April 2012	Share issue pursuant to Entitlements issue	1,166,666	0.03	35,000
26 June 2012	Share issue in lieu of services	714,286	0.07	50,000
26 June 2012	Share issue in lieu of services	966,666	0.03	30,000
	Capital raising costs			(268,683)
30 June 2012	Closing balance	272,562,932		20,685,557

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

## Part 21: Issued securities

### (b) Options

The following movements in options over unissued ordinary shares occurred during the year:

#### Unlisted options

Date	Details	Number of options 2012	Number of options 2011	Expiry Date	Exercise Price \$
1 July	Opening balance	34,581,668	28,331,668	-	-
7 December 2010	Allotment – Director IV	-	9,250,000	30/06/2014	0.12
15 December 2010	Allotment – Employees IV	-	2,950,000	30/06/2014	0.12
19 April 2011	Allotment – Employees IV	-	50,000	30/06/2014	0.12
11 March 2011	Options lapsed	-	(3,000,000)	25/07/2011	0.12
30 June 2011	Options cancelled	-	(3,000,000)	30/06/2014	0.12
26 August 2011	Allotment – Staff IV	800,000	-	30/06/2014	0.12
30 September 2011	Options cancelled	(500,000)	-	30/06/2014	0.12
27 October 2011	Allotment – Staff V	2,750,000	-	30/06/2014	0.12
27 October 2011	Allotment – Director V	12,000,000	-	30/06/2014	0.12
15 June 2012	Options lapsed	(5,500,000)	-	15/06/2012	0.20
15 June 2012	Options lapsed	(2,750,000)	-	15/06/2012	0.20
15 June 2012	Options lapsed	(2,750,000)	-	15/06/2012	0.10
30 June	Closing balance	38,631,668	34,581,668		

#### Listed options

Date	Details	Number of options 2012	Number of options 2011	Expiry Date	Exercise Price \$
1 July	Opening balance	26,848,725	10,778,154		
18 January 2011	Issued per share placement	-	5,000,000	25/07/2013	0.10
30 June 2011	Issued per share placement – Director	-	3,571,428	25/07/2013	0.10
30 June 2011	Issued per share placement – Director	-	3,571,428	25/07/2013	0.10
30 June 2011	Issued per share placement	-	3,571,428	25/07/2013	0.10
30 June 2011	Issued per share placement – Supplier	-	356,287	25/07/2013	0.10
29 July 2011	Issued per share placement – Supplier	3,564,287	-	7/06/2013	0.10
25 October 2011	Issued in lieu of services	45,428	-	7/06/2013	0.10
27 October 2011	Issued on conversion of notes	14,285,714	-	7/06/2013	0.10
27 October 2011	Issued on conversion of notes	3,571,429	-	7/06/2013	0.10
27 October 2011	Issued to acquire mBuzzy	9,000,000	-	7/06/2013	0.10
27 October 2011	Exercise of options	(6)	-	7/06/2013	0.10
30 June	Closing balance	57,315,577	26,848,725		

These options do not entitle the holder to participate in any share issue of the Company or any other entity.



## Part 22: Segment information

MOKO.mobi Limited is organised on a global basis into five geographic segments: Australia, Europe, Asia, United States and Africa. These geographic segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

### Operating segment

The primary segment of the Group is the business segment. The Company operates a global mobile social media platform that enables people to chat and share anywhere.

### Geographical information

The Group operates in five geographic areas being Australia, Europe, Asia, the United States and Africa.

	Australia \$	Europe \$	Asia \$	US \$	Africa \$	TOTAL \$
<b>30 June 2012</b>						
Revenue from continuing operations	497,563	8,383,358	174,235	1,688,972	1,888,165	12,632,293
Less: Cost of Sales	(200,324)	(6,454,676)	(143,342)	(563,082)	(1,148,989)	(8,510,413)
Gross Profit	297,239	1,928,682	30,893	1,125,890	739,176	4,121,880
Add: Other Income	62,871	-	-	-	-	62,871
Add: Gain on acquisition of Paper Tree Limited						970,510
Less Expenses *						(7,167,536)
<b>Total Loss before income tax expense</b>						<b>(2,012,275)</b>
Assets	674,000	3,411,816	22,433	1,707,908	964,356	6,780,513
Liabilities	1,153,290	1,135,905	2,918	147,331	28,969	2,468,413

\* Overhead expenses are not associated to any one particular segment.



## Part 22: Segment information

30 June 2011	Australia \$	Europe \$	Asia \$	US \$	Africa \$	TOTAL \$
Sales Revenue	287,584	586,960	454,100	229,992	-	1,558,636
Less: Cost of Sales	(149,178)	(353,719)	(295,325)	(165,379)	-	(963,601)
Gross Profit	138,405	233,242	158,775	64,613	-	595,035
Add: Other Income	158,297	-	-	-	-	158,297
Less Expenses *						(4,092,192)
<b>Total Loss</b>						<b>(3,338,861)</b>
Assets	2,130,171	231,652	40,913	85,799	-	2,488,535
Liabilities	1,350,359	142,224	-	150,449	-	1,643,032

\* Overhead expenses are not associated to any one particular segment.

## Part 23: Subsequent events

On 10 August 2012, MOKO.Mobi Limited acquired OfferMobi, a US based mobile marketing business from Howmark Mobile LLC. The total consideration payable is a maximum of US\$5m in cash and equity, with the transaction structured as follows:

- Initial consideration of US\$1m in cash and 4 million ordinary shares, payable on close; and
- Deferred consideration to a maximum of US\$3.8m to be paid quarterly over two years calculated on agreed performance hurdles. The quarterly payments will be split 50% cash and 50% in MOKO.mobi securities.

Due to the close proximity of the acquisition the Directors are yet to establish the fair value of the assets acquired and liabilities assumed. AASB 3 Business Combinations allows 12 months from the acquisition date for the valuation process to be completed.

Since 30 June 2012, a total of \$737,200 has been raised by way of placement, resulting in a total of 18,430,000 shares having been issued at an issue price of \$0.04 per share. In addition a supplier was issued 500,000 shares at an issue price of \$0.04 per share in lieu of services.

No other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect:

- (a) MOKO.mobi's 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.

## Part 24: Audit status

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

Not Applicable

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

Not Applicable