



MOKO  
SOCIAL  
MEDIA

26 JULY 2013  
APPENDIX 4C and JUNE 2013 QUARTERLY REVIEW

MOKO.mobi Limited

ASX Release:

#### **CHAIRMAN'S OVERVIEW OF ACTIVITIES**

The June quarter was one of strategic re-alignment and focus after receiving our breakthrough large scale US contract to build and operate customised mobile community applications for US colleges.



MOKO.mobi is using its proprietary platform to develop and install customised mobile community applications for common interest groups such as universities and colleges. MOKO's customised applications enable these organisations to efficiently communicate with their audiences via mobile devices such as mobile phones and tablets. MOKO will then generate income by advertising on these mobile devices.

MOKO recently signed an exclusive development deal with the American Collegiate Intramural Sports Network (ACIS) to build and install the information system for students' mobile devices. This will be promoted on-campus at over 200 US colleges for up to 5 million students and branded "RecIT".

RecIT is a highly tailored version of the MOKO platform to communicate important student information with a purpose built back-end to allow college staff to upload and disseminate news, scheduling, results, student events etc. ACIS is an organisation that provides opportunities for colleges, students and sponsors to mutually benefit through sports, recreation and fitness related promotional activities on more than 200 college campuses across the US.

As part of this development, MOKO will control and sell the mobile advertising within RecIT. Customised Mobile Social Advertising is segmented and profiled and the ads themselves will be designed with offers that appeal to students.

Development is almost complete and a beta trial will be conducted in August followed by a pilot phase with 10 colleges from September to December 2013.

## OfferMobi (OM)

A new proprietary software development was completed during the quarter that will allow publishers to optimise their traffic to increase conversions from OM advertising campaigns.

New advertisers were engaged in May and June and the advertising campaign demand at the end of the quarter was encouraging.

Management expects the changes will yield an improved performance in the September 2013 quarter and looks forward to advancing OM's participation in the development and commercialisation planning for RecIT and the customised mobile community application business more generally.

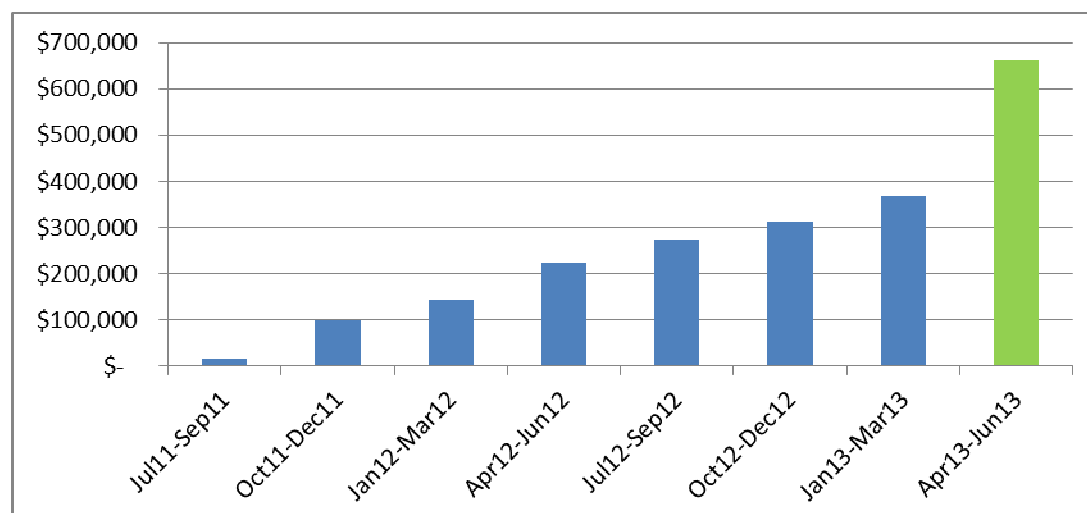
## Deals-I-Love (DIL)

As recently announced, and effective from 1 July, MOKO has acquired the controlling 51% stake in Sydney-based e-commerce business, Deals I Love (DIL). In the June quarter MOKO also supported DIL's growth agenda by extending loan funding of \$87,000 (out of a total commitment of \$200,000) for marketing purposes.

DIL boasts an unbroken run of averaging double digit compound quarterly revenue growth since its incorporation in 2011. This trend was continued in the June quarter with revenue increasing 79% after using the proceeds of Moko's loan funding for user-acquired growth, product sourcing opportunities and human resources (refer Table 1 below).

MOKO expects to see continued revenue growth and DIL moving to a cash flow positive contributor to the Group in the current FY14 year. MOKO intends to expand DIL's role in the Group through developing DIL into a more mobile focused business that is capable of enhancing offerings, via direct response propositions, to its existing and potential US mobile audiences, such as RecIT users.

**Table 1: Deals I Love Quarterly Revenue since inception**



## **MOKO (UK)**

As announced in April, the company's strong US business focus predicated the sale of the core UK mobile content business. The remaining UK content division is expected to completely cease operations in the first quarter FY14.

### **Finances**

With the ReclT ramp up and launch MOKO has raised equity capital. In addition to its existing debt facility the company is carefully managing its working capital requirements and overheads due to an expanded on-the-ground US presence and the proposed Nasdaq listing.

A capital raising in June raised gross equity proceeds (including director participation) of \$2,389,760 from a 1 for 5 fully underwritten non-renounceable rights issue through issuing 59,744,021 ordinary shares at 4 cents per share and 59,744,021 options with a 5 cents exercise price expiring June 2015.

MOKO ended the June quarter with cash and cash equivalents of \$2,519,185.

### **Subsequent events**

Since 30 June MOKO has received placements from sophisticated and professional investors for a further \$1.6 million, inclusive of amounts that are subject to shareholder approval at an upcoming EGM.

Also since 30 June 2013 the Company has made the following abnormal cash payments:

- |   |                |
|---|----------------|
| - Retirement of TCA Debt Facility<br>(including fees, interest and foreign exchange costs)  | \$1.10 million |
| - Legal, underwriting, advisory and other capital raising expenses  | \$0.09 million |
| - Loan to Deals I Love (DIL) for marketing purposes   | \$0.06 million |
| - Other legal, consulting and settlement costs including<br>expenses relating to disposal of UK assets, acquisition of DIL<br>and new US corporate activities | \$0.20 million |

As at end of July and after taking into account the abovementioned items, MOKO has cash and cash equivalents of approximately \$2.3 million and now has zero debt.

Greg McCann  
Chairman

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Name of entity

**MOKO.MOBI LIMITED**

ABN

**31 111 082 485**

Quarter ended ("current quarter")

**30 JUNE 2013**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	2,049	18,237
1.2 Payments for		
(a) staff costs	(676)	(3,764)
(b) advertising and marketing	(370)	(2,926)
(c) research & development	-	-
(d) other working capital	(1,601)	(14,282)
(e) other	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	9
1.5 Interest and other costs of finance paid	(36)	(96)
1.6 Income taxes received/(paid)	-	1,008
1.7 Other (R&D grant received)	-	-
<b>Net operating cash flows</b>	<b>(632)</b>	<b>(1,814)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(632)</b>	<b>(1,814)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(145)	(1,445)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(9)	(90)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	(343)	(343)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
(f) cash acquired on acquisition	-	92
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (payment for product development cost)	-	-
<b>Net investing cash flows</b>	<b>(497)</b>	<b>(1,786)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,129)</b>	<b>(3,600)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc (net)	2,540	3,492
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	1	1,005
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
<b>Net financing cash flows</b>	<b>2,541</b>	<b>4,497</b>
<b>Net increase/ (decrease) in cash held</b>	<b>1,412</b>	<b>897</b>
1.21 Cash at beginning of quarter/year to date	1,129	1,575
1.22 Exchange rate adjustments to item 1.21	(22)	47
<b>1.23 Cash at end of quarter</b>	<b>2,519</b>	<b>2,519</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000						
1.24	Aggregate amount of payments to the parties included in item 1.2	223						
1.25	Aggregate amount of loans to the parties included in item 1.11	-						
1.26	Explanation necessary for an understanding of the transactions							
	<table border="1"> <tr> <td colspan="2"><u>1.24</u></td> </tr> <tr> <td>- Directors' and associates' remuneration</td> <td>184</td> </tr> <tr> <td>- Services provided by Directors' related entities</td> <td>39</td> </tr> </table>	<u>1.24</u>		- Directors' and associates' remuneration	184	- Services provided by Directors' related entities	39	
<u>1.24</u>								
- Directors' and associates' remuneration	184							
- Services provided by Directors' related entities	39							

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	TCA - US\$850,000 12 month secured loan @ 12% pa	US\$850,000
		Directors converting note - A\$200,000	A\$200,000
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,519	1,129
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,519</b>	<b>1,129</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	OfferMobi USA All Night Media	Antiphony Management Holdings (AMH)
5.2 Place of incorporation or registration	OM-United States of America ANM-United Kingdom	AMH-United Kingdom
5.3 Consideration for acquisition or disposal	OfferMobi USA: Maximum USD\$5,000,000 as USD\$2,900,000 cash & USD\$2,100,000 equity, Initially: USD\$1.2m as USD\$1m cash & 4m fully paid ordinary shares @ \$0.05 ea + Deferred: up to USD\$3.8m as 50% cash & 50% equity paid quarterly over 2 years on agreed performance hurdles \$145k cash was Paid during the current quarter	AMH: Initial Consideration GBP 1.00 + GBP 270,000 payable to Buyer \$256k cash was paid in the current quarter and \$87k cash was disposed
5.4 Total net/ (deficiency) assets	N/A	N/A
5.5 Nature of business	OfferMobi USA – Mobile marketing	AMH-Mobile content

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**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  
**Company Secretary**

Date: **26 July 2013**

Print name: **Andrew Bursill**