Appendix 4E

Preliminary Final Report
to the Australian Securities Exchange

Part 1: Details of entity, reporting period

Name of Entity	MOKO.mobi Limited
ABN	35 111 082 485
Financial Period	Year ended 30 June 2013
Previous Corresponding Reporting Period	Year ended 30 June 2012

Part 2: Results for announcement to the market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from continuing operations	6,021	250%
(Loss) from continuing operations after related income tax benefit	(4,711)	21%
Net (Loss) attributable to members of the parent entity	(6,278)	158%

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 attachment.

Part 3: Contents of ASX Appendix 4E

Part 4: Consolidated statement of profit or loss and other comprehensive income

	Note	2013 $	2012 $
Revenue from continuing operations	11	6,020,593	1,722,484
Cost of Sales		(4,330,167)	(839,032)
Gross Profit		1,690,426	883,452
Other income		8,813	62,627
Fair value gain on deferred consideration		1,829,653	-
Expenses			
Computer expenses		(665,957)	(863,926)
Marketing expenses		(320,481)	(500,861)
Travel and entertainment expenses		(202,815)	(324,640)
Occupancy expenses		(119,262)	(46,199)
Administration expenses		(332,800)	(365,341)
Exchange loss		(238,717)	(44,680)
Finance costs		(210,572)	(239)
Legal and professional fees		(1,640,327)	(564,914)
Employee benefits expenses	12	(2,510,446)	(2,224,901)
Share based payments	12	(434,743)	(289,413)
Depreciation and amortisation	12	(1,067,523)	(179,433)
Impairment	12	(1,487,137)	-
Loss before income tax expense from continuing operations		(5,701,888)	(4,458,468)
Income tax benefit		990,594	565,849
Loss after income tax expense from continuing operations		(4,711,294)	(3,892,619)
(Loss)/profit after income tax expense from discontinued operations	16	(1,566,785)	1,460,373
Loss after income tax for the year		(6,278,079)	(2,432,246)
Other comprehensive income		853,663	-
Total comprehensive loss for the year		(5,424,416)	(2,432,246)
Total comprehensive income for the year is attributable to:			
Continuing operations		(3,857,631)	(3,892,619)
Discontinued operations		(1,566,785)	1,460,373
Owners of MOKO.mobi Limited		(5,424,416)	(2,432,246)

Part 5: Accumulated losses

	Note	2013 $	2012 $
Accumulated losses brought forward		(19,179,230)	(16,746,984)
Loss after income tax expense for the year		(6,278,079)	(2,432,246)
		(25,457,309)	(19,179,230)

Part 6: Consolidated statement of financial position

Current assets			
Cash and cash equivalents		2,519,186	1,573,783
Trade and other receivables		823,898	2,677,021
Other current assets		153,236	341,718
Total current assets		3,496,320	4,592,522
Non-current assets			
Property, plant and equipment	13	72,662	793,339
Intangibles	14	4,410,248	974,681
Total non-current assets		4,482,910	1,768,020
Total assets		7,979,230	6,360,542
Current liabilities			
Deferred consideration		1,430,252	-
Trade and other payables		1,814,544	2,141,895
Borrowings	17	1,136,390	-
Employee benefits		134,048	207,054
Provisions		264,912	-
Income tax provision		279,808	-
Total current liabilities		5,059,954	2,348,949
Non-current liabilities			
Employee benefits		45,904	29,714
Deferred tax liability		-	89,750
Total non-current liabilities		45,904	119,464
Total liabilities		5,105,858	2,468,413
Net assets		2,873,372	3,892,129
Equity			
Issued capital	21	24,656,473	20,685,557
Reserves		3,674,208	2,385,802
Accumulated losses	5	(25,457,309)	(19,179,230)
Total equity		2,873,372	3,892,129

Part 7: Consolidated statement of changes in equity

Consolidated	Issued Capital $	Foreign Currency Translation Reserve $	Option Reserves $	Accumulated losses $	Total $
Balance at 30 June 2011	15,603,025	-	1,989,462	(16,746,984)	845,503
Loss after income tax expense for the year	-	-	-	(2,432,246)	(2,432,246)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(2,432,246)	(2,432,246)
Transactions with owners in their capacity as owners					
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)
Balance at 30 June 2012	20,685,557	(38,815)	2,424,617	(19,179,230)	3,892,129
Loss after income tax expense for the year	-	-	-	(6,278,079)	(6,278,079)
Other comprehensive income	-	853,663	-	-	853,663
Total comprehensive loss for the year	-	853,663	-	(6,278,079)	(5,424,416)
Transactions with owners in their capacity as owners					
Issue of shares	4,228,250	-	-	-	4,228,250
Capital raising costs	(257,334)	-	-	-	(257,334)
Convertible notes	-	-	-	-	-
Share based payments	-	-	434,743	-	434,743
Balance at 30 June 2013	24,656,473	814,848	2,859,360	(25,457,309)	2,873,372

Part 8: Consolidated statement of cash flows

	Consolidated 2013 $	2012 $
Cash flows from operating activities		
Net receipts from customers	15,944,735	10,941,130
R&D tax offset received	1,008,231	566,742
Export market development grant received	-	26,947
Payments to suppliers and employees	(18,680,593)	(14,901,458)
Interest received	9,119	35,927
Interest and other finance costs paid	(95,662)	-
Net cash used in operating activities	(1,814,170)	(3,330,712)
Cash flows from investing activities		
Payment for acquisition of business	(1,444,760)	(99,160)
Payment for property, plant and equipment	(89,850)	(177,929)
Cash acquired on acquisition	92,294	938,768
Payments for disposal of subsidiary	(342,637)	-
Net cash (used in)/from investing activities	(1,784,953)	661,679
Cash flows from financing activities		
Proceeds from issue of shares	3,401,960	2,607,275
Share issue transaction costs	(229,668)	(214,475)
Proceeds received in advance of issue of shares	320,000	-
Proceeds from borrowings	1,004,565	-
Net cash provided by financing activities	4,496,857	2,392,800
Net increase/(decrease) in cash and cash equivalents	897,734	(276,233)
Cash and cash equivalents at the beginning of the year	1,573,783	1,925,626
Effects of exchange rate changes on cash	47,669	(75,610)
Cash and cash equivalents at end of the year	**2,519,186**	**1,573,783**

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 2013 comprise the Company and its subsidiaries (together referred to as the **Group**).

Going concern

The Group is a mid-stage technology Company, and for 2012/2013 financial year operated on a negative operating cash flow basis. Net cash used in operations for the year ended 30 June 2013 was $1,814,170 (2012: $3,330,712). The Group made an operating loss of $6,278,079 for the year ended 30 June 2013 (2012: $2,432,246). For the Group to achieve operating profitability, the Group requires an increase in revenue from its existing businesses and further operations, including the new REC*IT project. In addition to the new operations the Company is initiating a new business model which forecasts for the Company to be cash accretive. In order for the Company to pursue this new business model, it requires additional funding.

Based on the proven history of the Company and the future business plans, the Directors have no reason to believe that they will be unable to raise new funding as required and the financial report has therefore been prepared on the going concern basis.

However, should the Company's 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.

The Directors believe the Company can continue to meet its debts as and when they become due and payable.

Part 10: Commentary on results

During the year the Company acquired "OfferMobi" (OM), a US mobile advertising business and All Night Media, a mobile content business in the UK. Paper Tree Limited, a UK based mobile content business acquired in December 2011 was disposed of in April 2013 and its results are included as discontinued operations in this report. During the year MOKO also committed to an acquisition of a Sydney based mobile e-commerce company, Deals-I-Love (DIL).

Revenues from continuing operations increased by 250% to $6.0m for the year, however it should be noted that this excludes $9.1m contributed by the discontinued Paper Tree Limited (2012: $10.9m). The net loss after tax of $6.3m included a loss from continuing operations of $4.7m, an increase of 21% and a net loss from discontinued operations after tax of $1.6m (2012: net profit of $1.5m).

The total comprehensive loss for the year increased by 123% to $5.4m and this included a foreign currency translation benefit of $0.9m.

The operating cash outflow for the year decreased by 44% to $1.8m. Investing cash outflows increased by 370% to $1.8m primarily due to deferred acquisition payments to OfferMobi of $1.4m and financing cash inflows increased by 88% to $4.5m courtesy of net share issue proceeds of $3.5m and net debt proceeds of $1.0m.

In March 2013 the Company settled a legal dispute with the vendors of All Night Media for false and misleading pre-acquisition financial representations and this resulted in MOKO being refunded its initial cash consideration and legal fees and the cancellation of all deferred consideration.

Also in March 2013, the Company announced that it had signed an exclusive development agreement with American Intramural Sports Group LLC (AISG), to develop a mobile community platform specifically for US college students. The term of the agreement is for an initial 3 years and will automatically be extended by 1 year, after the third and each successive anniversary of the expiry of the 3-year term, unless either party seeks to terminate. AISG 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 USA.

The custom designed and purpose-built mobile application is to be called "REC*IT" and will include a variety of social features and tools including the ability to register for team activities, check schedules, player standings and scores, individual performances and post photos and content related to collegiate intramural sports. REC*IT will also enable students to share the information and content with their other social network applications, such as Facebook and Twitter.

The platform will be commercialised by providing the mobile service free to the colleges and the students, and then selling advertising opportunities to those sponsors, businesses and organisations wishing to reach the US college student demographic. The REC*IT project has been the catalyst for the Company's strategic re-focus on customised mobile social advertising via platform developments for large target interest groups in the USA.

The Company has an objective to list its ADR on NASDAQ and is in the process of working with legal counsel and US investment banking partners to pursue this. This and the REC*IT project will be the strategic focus of the Company in the future.

During the year the Company issued 102.3 m new ordinary shares for net proceeds of $3.17m, which included part conversion of $0.345m of Director related convertible notes issued during the year and a revolving short term debt facility of USD$850,000 was obtained and fully drawn.

Part 11: Revenue and income

	2013 $	2012 $
Revenue from continuing operations	**6,020,593**	**1,722,484**
Other revenue		
Grants received	-	26,947
Interest received	8,813	35,680
	8,813	**62,627**
Fair value gain on deferred consideration	**1,829,653**	**-**

Part 12: Expenses

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

Depreciation and amortisation		
Depreciation		
Computer equipment	226,058	70,652
Furniture and fittings	1,480	782
Total depreciation	227,538	71,434
Amortisation		
Computer software	34,978	8,313
Customer contracts	149,437	57,974
Capitalised intellectual property	655,570	41,712
Total amortisation	839,985	107,999
Total depreciation and amortisation	**1,067,523**	**179,433**
Impairment expenses		
Impairment of goodwill	1,487,137	-
Total impairment expenses	**1,487,137**	**-**
Employee benefits expense		
Salaries and wages	2,398,145	2,125,258
Superannuation	112,301	104,643
Total employee benefits expense	**2,510,446**	**2,224,901**
Share based payments	**434,743**	**289,413**

Part 13: Property, plant and equipment

Consolidated 2012	Computer equipment $	Furniture and fittings $	Total $
Cost	631,557	551,919	**1,183,476**
Accumulated depreciation	(295,623)	(94,514)	**(390,137)**
Balance at 30 June 2012	335,934	457,405	**793,339**
Reconciliation			
Balance at 1 July 2011	16,258	821	**17,079**
Acquisitions through business combinations	462,826	630,240	**1,093,066**
Additions	10,150	1,445	**11,595**
Disposals	-	(87,869)	**(87,869)**
Depreciation expense	(152,004)	(69,592)	**(221,596)**
Effects of movements on foreign exchange rates	(1,296)	(17,640)	**(18,936)**
Balance at 30 June 2012	335,934	457,405	**793,339**
Consolidated 2013			
Cost	599,527	185,156	**784,683**
Accumulated depreciation	(526,865)	(185,156)	**(712,021)**
Balance at 30 June 2013	72,662	-	**72,662**
Reconciliation			
Balance at 1 July 2012	335,934	457,405	**793,339**
Acquisitions through business combinations	-	-	**-**
Additions	3,013	34,795	**37,808**
Disposals	-	(57,737)	**(57,737)**
Derecognised on disposal of subsidiary	(34,755)	(337,267)	**(372,022)**
Depreciation expense	(231,242)	(90,642)	**(321,884)**
Effects of movements on foreign exchange rates	(288)	(6,554)	**(6,842)**
Balance at 30 June 2013	72,662	-	**72,662**

Part 14: Intangibles

Consolidated 2012	Computer software $	Customer Contracts $	Capitalised product development costs $	Intellectual Property $	Goodwill $	TOTAL $
Cost	57,288	207,411	71,506	-	772,675	**1,108,880**
Accumulated amortisation/impairment	(34,513)	(57,974)	(41,712)	-	-	**(134,199)**
Balance at 30 June 2012	22,775	149,437	29,794	-	772,675	**974,681**
Reconciliation						
Balance at 1 July 2011	1,663	150,000	-	-	-	**151,663**
Acquisitions through business combinations	-	-	-	-	772,675	**772,675**
Additions	30,843	57,411	71,506	-	-	**159,760**
Disposals	-	-	-	-	-	**-**
Amortisation expense	(8,313)	(57,974)	(41,712)	-	-	**(107,999)**
Impairment expense	-	-	-	-	-	**-**
Effects of movements on foreign exchange rates	(1,418)	-	-	-	-	**(1,418)**
Balance at 30 June 2012	22,775	149,437	29,794	-	772,675	**974,681**

Consolidated 2013						
Cost	69,491	207,411	71,506	4,066,408	2,456,753	**6,871,569**
Accumulated amortisation/impairment	(69,491)	(207,411)	(71,506)	(625,596)	(1,487,137)	**(2,461,321)**
Balance at 30 June 2013	-	-	-	3,440,812	969,616	**4,410,248**
Reconciliation						
Balance at 1 July 2012	22,775	149,437	29,794		772,675	**974,681**
Acquisitions through business combinations	-	-	-	3,510,918	1,551,627	**5,062,545**
Additions	12,444	-	-	-	-	**12,444**
Disposals	-	-	-	-	-	**-**
Amortisation expense	(34,978)	(149,437)	(29,974)	(625,596)	-	**(839,985)**
Impairment expense	-	-	-	-	(1,487,137)	**(1,487,137)**
Effects of movements on foreign exchange rates	(241)	-	-	555,490	132,451	**687,700**
Balance at 30 June 2013	-	-	-	3,440,812	969,616	**4,410,428**

Part 14: Intangibles (continued)

Impairment testing

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

	2013 $	2012 $
Mobile Social (1)	772,675	772,675
Mobile Content (2)	714,462	-
Mobile Advertising (3)	969,616	-
	2,456,753	**-**

(1) mBuzzy

During the year mBuzzy revenues declined and the Directors supported management's recommendation to re-direct marketing and development budget towards better product investment opportunities. As a result mBuzzy was de-prioritised within the Group. Future mBuzzy revenues are expected to decline and cash generation will be minimal. Accordingly, the carrying value of goodwill attributable to mBuzzy of $772,675 was fully impaired during the year and recognised as an impairment expense in the statement of Profit or Loss and Other Comprehensive Income during the period.

(2) All Night Media ('ANM')

The goodwill acquired on acquisition was deemed unrecoverable during the period as a result of grossly underperforming revenues relative to the Director's expectations created during the pre-acquisition due diligence.

The goodwill recognised at acquisition of $714,462 was fully impaired and recognised as an impairment expense in the statement of statement of Profit or Loss and Other Comprehensive Income during the period.

(3) OfferMobi ('OM')

The goodwill acquired on acquisition is deemed recoverable and no impairment expense has been recognized in the statement of statement of Profit or Loss and Other Comprehensive Income during the period.

Impairment expense

Goodwill totaling $1,487,137 was impaired and accordingly was charged to the statement of Profit or Loss and Other Comprehensive Income during the period (2012: nil).

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. No terminal value was used.

Part 15: Business combinations

Acquisition of OfferMobi

On 10 August 2012, MOKO.mobi purchased particular business assets from Howmark Mobile, LLC. under an asset purchase agreement, so to acquire advertising and affiliate marketing capability in the United States of America, hereafter 'OfferMobi'. The business was acquired to provide increased marketing and advertising synergies and to allow MOKO to vertically integrate some of its 3rd party advertising expenditures and to provide new monetisation opportunities for its existing product portfolio.

The total consideration is a maximum of US$5,000,000. The initial consideration was US$1,000,000 in cash and 4 million MOKO.mobi fully paid ordinary shares. The deferred consideration is to a maximum of US$3,800,000 to be paid quarterly over two years calculated on agreed performance hurdles, with the quarterly payments split 50% cash and either 50% in MOKO options, with the price of the options being the higher of either the 20 day VWAP at the end of each quarter or AUD$0.05, or 50% in MOKO.mobi fully paid ordinary shares.

The terms of the earn-out require the business to meet agreed EBITDA performance hurdles with the first 25% of the earn-out guaranteed and a pro rata sliding scale for a reduction in the earn-out if targets are missed.

The acquired business contributed revenues of $4,400,611 and net profit after tax of $80,851 for the period from 10 August 2012 to 30 June 2013. If the acquisition occurred on 1 July 2012, the full year contributions would have been revenues of $4,695,863 and net profit after tax of $70,761.The values identified in relation to the acquisition of OfferMobi are final as at 30 June 2013.

Details of the acquisition are as follows:

	Carrying value	Fair value
Intangible assets	-	3,510,918
Property, plant and equipment	51,994	-
Cash and cash equivalents	90,880	90,880
Trade receivables	343,129	294,506
Trade payables	(186,296)	(186,296)
Net assets acquired	**299,707**	**3,710,008**
Goodwill		837,165
Acquisition date fair value of total consideration transferred		**4,547,173**

Satisfied By

Initial consideration: cash	945,358
Initial consideration: equity	189,072
Deferred consideration	3,412,743
Total	**4,547,173**

Goodwill represents the synergies expected to be realised through MOKO.mobi's mobile platform and geographic expansion into North America.

At reporting date, the deferred consideration liability is reduced from the recognised value at acquisition by $949,042 to reflect re-assessment of OfferMobi's expected first and second years earn-out and for the unwinding of a discount reflecting the time value of money.

Part 15: Business combinations (continued)

Acquisition of All Night Media Ltd

On 26 September 2012, MOKO.mobi purchased 100% of the share capital of All Night Media Ltd ('ANM') a UK based mobile content business. The business was acquired to strengthen the Group's position in the UK market, provide new carrier links and additional users and to enhance mobile advertising inventory for monetisation through OfferMobi.

The total consideration was $705,810 being US$733,450 in cash and MOKO.mobi fully paid ordinary shares, structured as:-

(1) US$75,000 cash at completion with three further deferred quarterly cash payments of US$150,000 each from January 2013; and

(2) 4,000,000 ordinary MOKO.mobi fully paid ordinary shares (to the equivalent value of A$200,000)

The acquired business contributed revenues of $368,118 and net loss after tax of ($54,288) for the period from 26 September 2012 to 30 June 2013. If the acquisition occurred on 1 July 2012, the full year contributions would have been revenues of $645,048 and net loss after tax of ($14,220). The values identified in relation to the acquisition of ANM are final as at 30 June 2013.

Details of the acquisition are as follows:

	Carrying value	Fair value
Property, plant and equipment	6,070	-
Cash and cash equivalents	1,206	1,206
Escrowed cash	342,420	-
Trade receivables	167,647	167,647
Trade payables	(177,505)	(177,505)
Net assets/ (liabilities) acquired	**339,838**	**(8,652)**

Goodwill	714,462
Acquisition date fair value of total consideration transferred	**705,810**

Satisfied By

Initial consideration: cash	74,238
Deferred consideration: cash	431,572
Deferred consideration: equity	200,000
Total	**705,810**

Goodwill represents the synergies expected to be realised through MOKO.mobi's mobile platform and cost savings through integration and rationalisation in the UK.

Part 16: Discontinued operations

(a) Details of operations disposed

On 27 April 2013, the board of directors entered into a sales agreement to dispose of Antiphony Management Holdings Limited (AMH) and its operating subsidiaries (the AMH Group), which were incorporated in and operated mobile content businesses from, the United Kingdom. The sale was completed on 29 April 2013, on which date control of the business passed to the acquirer.

The business had been operating in a challenging market environment and was becoming cash flow intensive due to the high up-front market costs and lower margins with significant competitor activity, making it difficult for management to actively seek growth and maintain acceptable profitability.

The entities disposed of include:

- Antiphony Management Holdings Limited
- Cell Media International Limited
- Blue Stream Mobile Limited
- Mobgains Limited
- Antiphony Limited
- Southern Breeze Trading 3 (PTY) Ltd
- American Mobile Ventures Limited

The gross sales consideration received was GBP1.00 ($2.00). Additional potential consideration of up to GBP2,125,000 ($3,204,644) has not been brought to account as it is contingent on business performance and unlikely to being received.

(b) Financial performance of operations disposed of during the year

	2013 **$**	**2012** **$**
Sales	9,128,887	10,909,809
Gain on acquisition of subsidiaries	-	454,910
Interest received	-	244
Content expenses	(7,545,664)	(7,671,381)
Gross profit/(loss)	1,583,223	3,693,582
Expenses	(2,089,545)	(2,073,765)
Depreciation and amortisation	(94,346)	(150,162)
Profit/(Loss) before tax from discontinued operations	(600,668)	1,469,655
Income tax (expense)/benefit	-	(9,282)
(Loss)/profit after income tax expense	(600,668)	1,460,373
Loss on disposal before income tax expense	(966,117)	-
Income tax benefit	-	-
Loss on disposal after income tax expense	(1,566,785)	-
(Loss)/profit after income tax expense from discontinued operations	(1,566,785)	1,460,373

The loss from discontinued operations of $1,566,785 (2012 profit: $1,460,373) is attributable entirely to the owners of the company.

Part 16: Discontinued operations (continued)

(c) Assets and liabilities an cash flow information of disposed group

The major classes of assets and liabilities of AMH Group at 29 April 2013 were as follows:

	2013 $	2012 $
Cash and cash equivalents	86,549	900,788
Trade and other receivables	958,577	2,408,114
Other current assets	155,654	270,327
Property, plant and equipment	372,021	496,470
Total assets	1,572,801	4,075,699
Trade and other payables	1,294,294	1,725,385
Total liabilities	1,294,294	1,725,385
Net assets	278,507	2,350,314

(d) Cash flow information of disposed group

The net cash flows of the AMH Group are as follows:

Operating activities	(316,504)	(139,391)
Investing activities – including payments for sale	(330,335)	929,979
Financing activities	(458,647)	186,855
Net cash (outflow) / inflow	(1,105,486)	977,443

(e) Consideration Paid

Gross Sales Consideration	2
Less: Amounts payable on disposal	(422,700)
Less: Liabilities assumed	(264,912)
Net disposal consideration	(687,610)
Net Assets disposed of in AMH Group	(278,507)
Loss on disposal before income tax	(966,117)

(f) Net cash outflow on disposal

Cash [1]	(256,088)
Less: Cash and cash equivalents disposed of	(86,549)
Reflected in the consolidated statements of cash flows	(342,637)

(1) excludes $166,610 cash payable at reporting date

Part 17: Borrowings

	2013 $	2012 $
Convertible notes[1]	205,699	-
Revolving line of credit[2]	930,691	-
	1,136,390	-

(1) Convertible notes

On 16 August 2012, the Company entered into an agreement with Director Greg McCann for up to $80,000 in funding by issue of convertible notes. The convertible notes were to be repayable in full at maturity, being 6 months from date of issue. At the discretion of the Company, at any time during the term, the convertible notes could be repaid by way of shares at an issue price of $0.04 per share, subject to shareholder approval.

On 7 December 2012, Director's Johannes de Back and Peter Yates each subscribed for a 12 month, 10% coupon interest converting note with face value of $100,000 which was convertible at MOKO's discretion at 4 cents per share and with 10% additional penalty interest at conversion, subject to shareholder approval.

On 14 December 2012, following shareholder approval at the Annual General Meeting, convertible notes of $80,000 were repaid by way of issue of 2,000,000 fully paid ordinary shares.

On 2 May 2013, Director's Greg McCann, Johannes de Back and Peter Yates agreed to advance a total of $265,000 as an interest free unsecured loan. The lenders had the option to offset against future rights issues undertaken by the Company.

On 4 June 2013, following a successful rights issue, the convertible notes of $265,000 were repaid by way of issue of 6,625,000 fully paid ordinary shares and 6,625,000 options exercisable at $0.05 each on or before 13 June 2015.

(2) Revolving line of credit

On 7 December 2012, MOKO.mobi signed a secured loan facility for US$850,000 with TCA Global Credit Master Fund LP ('TCA Facility') to fund additional acquisitions and working capital and to retire debt under MOKO's Bergen Investment facility. The loan facility is for a 12 month term and accrues interest at 12% per annum. The loan is secured by a general security interest over MOKO's assets and is guaranteed by the subsidiaries. The loan is fully drawn.

(3) Bergen investment facility

During the period a convertible securities agreement (the "Agreement") was made with Bergen Global Opportunity Fund ("Bergen") for the issuance of convertible securities to raise up to U$1,600,000. As announced to the ASX on 25 September 2012, Bergen received a facility commencement fee satisfied through the issue of 1,708,428 ordinary shares in MOKO.

During the period MOKO drew down one convertible note with face value of AU$125,000 of which Bergen converted $100,000 to 3,030,303 ordinary shares on 6 November 2012. They also received 1,515,152 unlisted options with an exercise price of $0.0477 cents, expiring 6 November 2015 upon the conversion.

This facility was cancelled with the establishment of the TCA Facility and the remaining $25,000 convertible securities were repaid to Bergen in cash.

Part 18: Details Relating to Dividends

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

Part 19: Earnings per Share

	2013 $	2012 $
(a) Earnings per share from continuing operations		
Loss after income tax attributable to owners of MOKO.mobi Limited	(4,711,294)	(3,892,619)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	306,882,356	129,689,791
	2013 cents	**2012 cents**
Basic earnings per share	(1.54)	(3.00)

	2013 $	2012 $
(b) Earnings per share from discontinued operations		
Loss after income tax attributable to owners of MOKO.mobi Limited	(1,566,785)	1,460,373
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	306,882,356	129,689,791
	2013 cents	**2012 cents**
Basic earnings per share	(0.51)	1.12

	2013 $	2012 $
(c) Earnings per share from loss		
Loss after income tax attributable to owners of MOKO.mobi Limited	(6,278,079)	(2,432,246)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	306,882,356	129,689,791
	2013 cents	**2012 cents**
Basic earnings per share	(2.05)	(1.88)

(d) 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

	2013	2012
Net tangible asset backing per ordinary security Fully paid ordinary shares 343,873,050 (2012: 272,562,932 shares)	(0.41) cents	1.07 cents

Part 21: Issued securities

	2013 $	2012 $
Fully paid ordinary shares 343,873,050 (2012: 272,562,932 shares)	**24,656,473**	**20,685,557**

(a) Ordinary shares

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

Date	Details	Number of shares	Issue Price $	Amount $
1 July 2012	Opening balance	272,562,934		20,685,557
5 July 2012	Share issue in lieu of services	500,000	0.038	19,000
10 August 2012	Share issue to acquire Offer Mobi	4,000,000	0.053	212,000
10 August 2012	Share issue by placement	5,000,000	0.040	200,000
23 August 2012	Share issue by placement	2,930,000	0.040	117,200
31 August 2012	Share issue by placement	10,500,000	0.040	420,000
25 September 2012	Share issue to Bergen	1,708,428	0.044	75,171
25 September 2012	Share issue on conversion of notes	3,030,303	0.033	100,000
3 October 2012	Share issue by placement	2,375,000	0.040	95,000
14 December 2012	Share issue on conversion of notes	2,000,000	0.040	80,000
14 December 2012	Share issue in lieu of services	300,000	0.030	9,000
21 December 2012	Share Issue pursuant to Offer Mobi	9,063,934	0.050	453,197
29 April 2013	Share Issue pursuant to Offer Mobi	1,158,430	0.050	57,922
04 June 2013	Share issue pursuant to Entitlements Issue	25,825,849	0.040	1,033,034
13 June 2013	Share issue pursuant to Entitlements Issue - shortfall	33,918,172	0.040	1,356,727
	Capital raising costs	-		(257,334)
30 June 2013	Closing balance	374,873,050		24,656,473

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 2013	Number of options 2012	Expiry Date	Exercise Price $
1 July	Opening balance	38,631,668	34,581,668	-	-
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
29 November 2012	Allotment – Bergen	1,515,152	-	06/11/2015	0.048
14 December 2012	Allotment – Director VI	16,000,000	-	30/07/2016	0.042
14 December 2012	Allotment – Supplier	2,000,000	-	30/06/2015	0.03
14 December 2012	Allotment – Supplier	2,000,000	-	30/06/2015	0.04
15 December 2012	Options lapsed	(2,165,000)	-	15/12/2012	0.20
21 December 2012	Allotment - Staff	500,000	-	30/11/2015	0.10
21 December 2012	Allotment – Maxis	2,593,750	-	30/06/2015	0.05
19 February 2013	Allotment – Staff	1,750,000	-	31/07/2016	0.06
30 June	Closing balance	62,825,570	38,631,668		

Listed options

Date	Details	Number of options 2013	Number of options 2012	Expiry Date	Exercise Price $
1 July	Opening balance	57,315,577	26,848,725		
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
1 May 2013	Issued per rights issue	59,744,021	-	13/06/2015	0.05
20 June 2013	Issued per rights issue underwriter	10,000,000	-	13/06/2015	0.05
30 June	Closing balance	127,059,598	57,315,577		

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 into three operating segments: Mobile Social, Mobile Advertising and Mobile Content. These operating 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.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Mobile Social	MOKO's proprietary mobile social networks and community/chat products
Mobile Advertising	MOKO's own proprietary mobile performance ad network
Mobile Content	MOKO's UK division that bundles and sells mobile content and entertainment products direct to mobile consumers

Intersegment transactions
Intersegment transactions were made at market rates. The Mobile Social operating segment provided platform and licencing support to the Mobile content operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

	Continuing operations					
Consolidated - 30 June 2013	**Mobile Advertising $**	**Mobile Social $**	**Mobile Content $**	**Discontinued Operations $**	**Intersegment eliminations/ unallocated $**	**Total $**
Sales to external customers	4,400,611	1,251,864	368,118	9,128,887	-	15,149,480
Intersegment sales	-	2,139,053	-	-	(2,139,053)	-
Total sales revenue	4,400,611	3,390,917	368,118	9,128,887	(2,139,053)	15,149,480
Other revenue	-	-	-	-	-	-
Total revenue	4,400,611	3,390,917	368,118	9,128,887	(2,139,053)	15,149,480
EBITDA	184,630	(4,571,600)	(45,636)	(1,472,439)	-	(5,905,045)
Depreciation and amortisation						(1,161,869)
Interest revenue						8,813
Finance costs						(210,572)
Loss before income tax expense						(7,268,673)
Income tax benefit						990,595
Loss after income tax expense						(6,278,078)
Assets	5,990,402	2,849,458	102,012	-	(962,642)	7,979,230
Liabilities	957,228	4,992,319	83,434	-	(927,123)	5,105,858

Part 22: Segment information (continued)

Consolidated - 30 June 2012	Mobile Advertising $	Mobile Social $	Mobile Content $	Discontinued Operations $	Intersegment eliminations/ unallocated $	Total $
	Continuing operations					
Sales to external customers	-	1,722,484	-	10,909,809	-	12,632,293
Intersegment sales	-	1,855,242	-	-	(1,855,242)	-
Total sales revenue	-	3,577,726	-	10,909,809	(1,855,242)	12,632,293
Other revenue	-	-	-	-	-	-
Total revenue	-	3,577,726	-	10,909,809	(1,855,242)	12,632,293
EBITDA	**-**	**(4,314,477)**	**-**	**1,619,573**	**-**	**(2,694,904)**
Depreciation and amortisation						(329,595)
Interest revenue						35,924
Finance costs						(238)
Loss before income tax expense						(2,988,813)
Income tax benefit						556,567
Loss after income tax expense						(2,432,246)
Assets	-	3,292,081	-	5,199,116	(2,130,655)	6,360,542
Liabilities	-	943,605	-	5,505,769	(3,980,961)	2,468,413

Part 23: Subsequent events

Share Issues

Since 30 June 2013, the following fully paid ordinary shares were issued as follows:

- the issue of 36,250,000 shares at $0.04 each via a share placement, raising $1,450,000 in cash;
- the issue of 31,475,000 listed options for nil consideration as part of the placement
- the issue of 1,297,300 shares at $0.05 each for Howmark Mobile LLC acquisition;
- the issue of 1,270 shares at $0.10 each through the exercise of options, raising $127 in cash;
- the issue of 3,100 shares at $0.05 each through the exercise of options, raising $155 in cash;

Debt Retirement

On 1 July 2013, MOKO.mobi Ltd re-paid the TCA principle of USD$850,000 and the debt facility was closed on 20 August 2013.

Deals I Love Pty Ltd

On 1 July 2013, MOKO.mobi Ltd completed the acquisition of a controlling 51% share interest in a Sydney based e-commerce business, Deals I Love Pty Limited (DIL), as foreshadowed to the shareholders on 26 February 2013 and updated on 1 July 2013. The acquisition represents a business combination and was made for the purpose of MOKO expanding into the growing mobile commerce sector thereby delivering on its intention to enhance its mobile revenue streams.

The share acquisition included a purchase of shares from a MOKO non-executive Director, Mr Johannes de Back, who after the acquisition has no further equity interest in DIL.

Under the terms of the acquisition MOKO was also granted an option to acquire the remaining 49% of DIL and as a separate transaction agreed to loan DIL up to $200,000 for marketing purposes, which bears interest of 10% per annum and is repayable on arms-length terms.

The acquired business contributed no revenues or net profit after tax for the year.

The provisional business combination accounting is as follows:

	Carrying value	Fair value
Intangible assets	-	572,611
Property, plant and equipment	2,485	2,485
Cash and cash equivalents	36,958	36,958
Investments	70,000	70,000
Trade receivables	7,125	7,125
Inventory	1,264	1,264
Deferred Tax asset	381,091	-
Trade payables	(590,443)	(590,443)
Loans-shareholders	(60,000)	(60,000)
Loans-MOKO	(87,168)	-
Net assets acquired	(238,688)	40,000
Acquisition date fair value of total consideration transferred		40,000
	Satisfied By	
	Cash	40,000
	Total	40,000

Sale of mBuzzy

On 24 August 2013, MOKO.mobi Limited sold its mBuzzy business assets, under an asset purchase agreement for total cash consideration of A$100,000, which exceeded the carrying value of the assets at reporting date.

Part 23: Subsequent events (continued)

No other matter or circumstance has arisen since 30 June 2013 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

This report is based on accounts to which one of the following applies: (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