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29 April 2014

ASX Release:

CHAIRMAN'S QUARTERLY REVIEW MARCH 2014

HIGHLIGHTS:

- **Nasdaq Confidential filing well advanced with public filing imminent**
- **Completed Alpha and Beta testing of REC*IT; Phase 1 of pilot commenced across 10 colleges including Stanford, Ohio, George Washington and Michigan universities**
- **REC*IT's reach will now cover over 700 colleges when the full roll-out occurs in September**
- **Completed private placement of A\$8 million, leaving the Company well capitalised and well positioned to execute its current business plans**
- **Signs agreement with ProVentures LLC to drive business development and marketing programs**

Dear Shareholders,

I am writing this update to shareholders from New York as we work through the final steps in our NASDAQ listing process. It was last August when we reported our strategy to migrate the company's focus to the US and build out our REC*IT App for US colleges, as well as preparing for a NASDAQ listing. Let me highlight what has been achieved since then:

- Completed the development of REC*IT through alpha and beta testing, now in the pilot phases; launched REC*IT across 10 major US colleges with initial indicators pointing toward high user engagement.
- Well advanced with the Nasdaq listing process.
- Established US offices and made several senior US management appointments.
- Well advanced with the design and build of two new Apps for politics and running.



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LIMITED**

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Our CEO has now relocated to the US to work full time supervising the design, build and rollout of our products and market the Company to US investors as we prepare for a capital raise in the US on the back of our Nasdaq listing. This will provide us with US investor liquidity and further capital to expand existing business programs and pursue new business opportunities as they arise.



REC*IT has completed phase one of the Pilot program, in conjunction with our recent Android release, across 10 campuses including Stanford University, The Ohio State University, University of Michigan and University of North Carolina. Further Pilot expansion to 20 colleges and the US summer sports programs, will establish REC*IT with a campus presence on many of the other top tier colleges including University of California Los Angeles (UCLA), University of Florida, University of Oregon and University of Wisconsin.

While early pilot reaction and usage has produced very encouraging results, our primary objective during this period remains testing and ongoing improvement of the REC*IT App. The technical and marketing teams will continue to leverage the final months of the semester (of the old school year) on campus, as an ideal environment for controlled efforts. Ongoing product development, enhancing user interactions, and scaling relationships with colleges during the US summer will prepare us well for national launch in September. We are however, very pleased with the level of user engagement and interaction with the pilot version of the App and we expect this to grow further as we add new social features and other functionality ready for the main launch at the beginning of the new school year in September.

The initial “soft-launch” marketing campaign is also underway. This integrated initiative, designed for the pilot and summer rollout, involves a mix of grassroots promotion, social media activation and digital messaging. A broader launch phase program, which will include a large team of “REC*IT Student Ambassadors”, is scheduled to go live in late August during back-to-school programming.

As a new member of the National Intramural, Recreational Sports Association (NIRSA), the MOKO/REC*IT team sponsored an event and participated at the association’s annual conference during April in Nashville Tennessee. REC*IT received a very warm reception and the MOKO team had a chance to interact directly with hundreds of college recreational and intramural sports directors from around the country. The feedback was overwhelmingly supportive of REC*IT. We are also pleased to report that in conjunction with our partnership with IMLeagues, REC*IT will now launch to over 700 colleges in September when the full launch is implemented. To support the overall rollout strategy, the next 3 months will also see new additions to REC*IT’s staff. NIRSA Career Services,

along with other current partners, will aid our recruiting efforts as we seek to hire University Relations Managers responsible for serving the direct relationships we are now fostering in this college community. You can see more about the REC*IT App by visiting www.recitcollege.com



In late December 2013 we announced a new deal that led to the development of a specialist running community called *RunHaven*. An initial RunHaven application is already in development and in the last 2 weeks we have also begun our facebook page "*Running Daily*" that will soon drive users into the RunHaven portal and our other new RunHaven App called "*Group Run*". You can view the facebook page here: <https://www.facebook.com/pages/Running-Daily/226061484258366>

Last quarter we announced the partnership with Mr Jimmy Williams, a political commentator for MSNBC, to develop a political community aimed at progressive politics, including opinion, campaign promotions, issues-based blogs and support groups, and links to information on elections ranging from local councils all the way to the presidential race.



The Blue Nation Review team have launched the initial version of the website and mobile products and can be viewed at www.blunationreview.com (on either your PC or phone), as well as our facebook page "*Progressive America*", which launched only 2 weeks ago, can be viewed here: <https://www.facebook.com/ProgAmerica>. We are working on other senior appointments for Blue Nation Review and will keep you updated as these unfold.

MOKO has also recently secured a strategic alliance with ProVentures Marketing LLC to provide business development, strategic marketing, product procurement and brand marketing services. The agreement also includes the appointment of ProVentures' President Mr Patrick McGee as the Executive Advisor to MOKO's CEO for US Operations. Mr McGee (and the ProVentures team) will assist MOKO's CEO, Mr Ian Rodwell, with day-to-day operational management and project management resources including the important function of the rollout of REC*IT to over 700 colleges in the US.

ProVentures is a full-service marketing agency that offers four core competencies including strategic consultation, promotional activation, hospitality services and talent procurement. ProVentures has working relationships with Red Bull, Gillette, TripAdvisor, Hyundai, Kentucky Fried Chicken, AT&T as well as other Fortune 500 brands. One of the key services ProVentures will provide to MOKO is the development of opportunities for new mobile platforms, as well as sponsorship and product placement.

Your Company has achieved much during the first 4 months of 2014. Product development and marketing programs are all on track, and we look forward to updating shareholders with further developments soon. Despite the recent market volatility your company is in the strongest position it has ever been and we are excited about the opportunities before us.

Greg McCann
Chairman

This announcement is for informational purposes only and is neither an offer to sell nor an offer to buy any securities, or a recommendation as to whether investors should participate in the offering. The offer is made solely by the prospectus included in the registration statement the Company expects to be filing with the Securities and Exchange Commission in the United States.

Special Note on Forward-Looking Statements

This press release contains information that constitutes forward-looking statements and uses forward-looking terminology such as “anticipate” “propose” “expect” and “will,” negatives of such terms or other similar statements. You should not place undue reliance on any forward-looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward-looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date hereof, any or all of those assumptions could prove to be inaccurate. Risk factors that could contribute to such differences include our ability to prepare required documents in connection with the proposed offering, the timing of regulatory review, shareholder approval of our ability to sell shares in the proposed offering, approval of our proposed listing on the Nasdaq Global Market, and the performance of the United States and global capital markets and companies in our sector, as well as factors relating to the performance of our business, including intense competition we face; failure to innovate and provide products and services that are useful to users; our ongoing need for capital for investment in new and existing business strategies and new products, services and technologies, including through acquisitions; our dependence on advertising revenues; the potential for declines in our revenue growth rate and downward pressure on our operating margin in the future; increased regulatory scrutiny that may negatively impact our business; legal proceedings that may result in adverse outcomes; failure to maintain and enhance our brand; uncertainty as to our ability to protect and enforce our intellectual property rights; and uncertainty as to our ability to attract and retain qualified executives and personnel. The forward-looking information provided herein represents the Company's estimates as of the date of the press release, and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company's estimates of its future intentions as of any date subsequent to the date of this press release. Our plans regarding a proposed offering and listing on the Nasdaq Global Market may differ materially from information contained in the forward-looking statements as a result of these risk factors or others, as well as changes in plans from our board of directors and management.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

MOKO SOCIAL MEDIA LIMITED

ABN

31 111 082 485

Quarter ended ("current quarter")

31 MAR 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	2,331	7,353
1.2 Payments for		
(a) staff costs	(833)	(2,318)
(b) advertising and marketing	(95)	(635)
(c) research & development	-	-
(d) other working capital	(3,257)	(9,511)
(e) other	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	16
1.5 Interest and other costs of finance paid	(7)	(22)
1.6 Income taxes received/(paid)	-	1,083
1.7 Other (R&D grant received)	-	150
Net operating cash flows	(1,861)	(3,884)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,861)	(3,884)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(444)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(33)	(44)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	(231)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
(f) cash acquired on acquisition	-	37
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (payment for product development cost)	-	-
Net investing cash flows	(33)	(682)
1.14 Total operating and investing cash flows	(1,894)	(4,566)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc (net)	151	6,236
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(1,118)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	151	5,118
Net increase/ (decrease) in cash held	(1,743)	552
1.21 Cash at beginning of quarter/year to date	4,873	2,519
1.22 Exchange rate adjustments to item 1.21	(67)	(8)
1.23 Cash at end of quarter	3,063	3,063

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	103
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	<u>1.24</u> - Directors' and associates' remuneration - Services provided by Directors' related entities	103 -

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

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

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	Directors interest free unsecured loan outstanding - A\$100,000	- A\$100,000
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	3,063	4,873
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,063	4,873

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net/ (deficiency) assets		
5.5 Nature of business		

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: **29 Apr 2014**

Print name: **Andrew Bursill**

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