

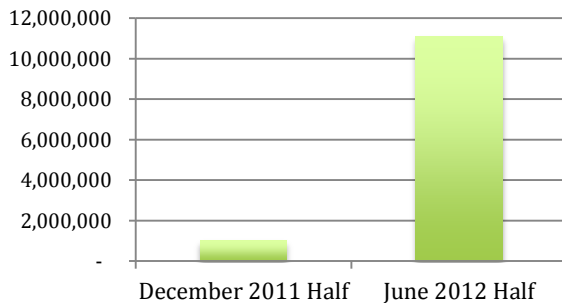


2012 June Quarter Chairman's Review

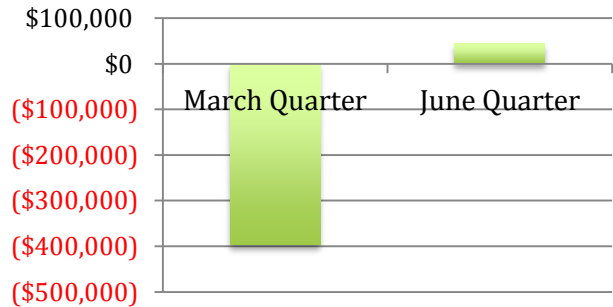
KEY HIGHLIGHTS

- Unaudited Maiden **NET PROFIT** for the quarter of \$35,666.
- Unaudited profit from trading activities for the month of June, excluding grants received, and other non-cash expenses such as foreign exchange loss or gains, depreciation, amortisation, fixed asset right offs and share-based payments, was \$17,506. The unaudited trading loss for the quarter, excluding the aforementioned items, was \$122,112.
- Gross sales revenues for the half year ending 30 June 2012 **INCREASED** 1,010%, to \$11.1 million, up from \$1 million for the corresponding 30 June 2011 half.
- Company's net equity **INCREASED** by 39%, up from \$4.1 million as at 31 December 2011, to \$5.7 million as at 30 June 2012.

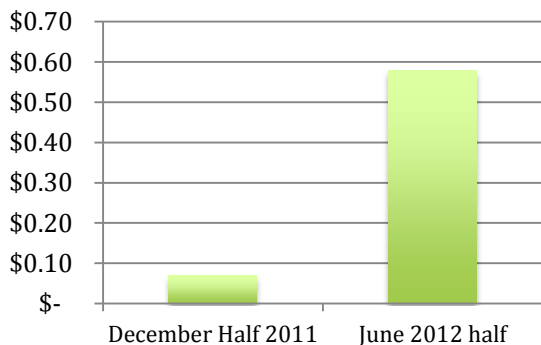
Unaudited Total Revenues per half



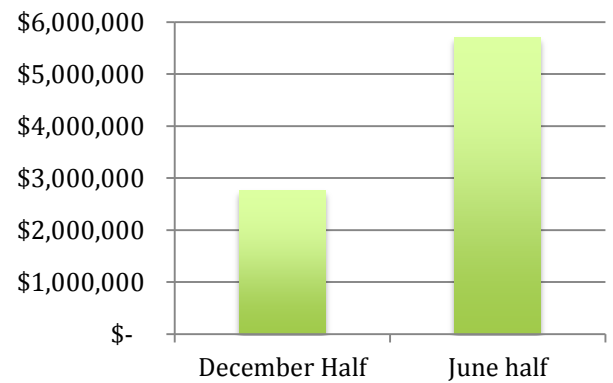
Unaudited Net Profit/Loss March to June Quarters



Unaudited Average Revenue per user



Unaudited Net Equity



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JUNE QUARTER – CONSOLIDATION & PREPARATION FOR THE NEXT GROWTH PHASE

We are very pleased to report our unaudited maiden net profit for the June quarter of \$35,666. Unaudited profit from trading activities for the month of June, excluding grants received, and other non-cash expenses such as foreign exchange loss or gains, depreciation, amortisation, fixed asset right offs and share-based payments, was \$17,506. The unaudited trading loss for the quarter, excluding the aforementioned items, was \$122,112.

During the last 3 months, the Company has undertaken a review of its resources and cost base and continued to rationalize the overall operations following the successful integration of the new MOKO UK business and the establishment of its new central server environment in Santa Clara, California.

Management's focus during the last quarter has been particularly centered on ensuring that the business optimises its opportunities for profits, not just topline revenues. In some cases, and as part of the overall rationalisation process following the PTL acquisition, we have closed certain revenue channels that were not profitable while we have prepared to open new ones. As a result, the bottom line has improved and we are now better positioned to attack new markets.

We took a conservative view to close off the financial year, writing off relatively minor outstanding items from the Paper Tree acquisition. The June quarter net profit result was particularly heartening as it also included a lot of abnormal and one-off items and restructuring costs, including asset impairment costs, closing of surplus offices, share based payments, one-off specialist accounting and legal fees relating to the Paper Tree acquisition and new proposed acquisitions, staff redundancy payments, and allowances for long service leave.

OUTLOOK FOR NEXT TWO QUARTERS, 2012

The Company is continuing to invest in new platform development including CRM reporting systems and the development of a new facebook integrated mobile chat service. In the September quarter we aim to be launching in Germany, Switzerland, Austria and France. In the December quarter we are planning to launch new services in Thailand, Indonesia, Australia and Italy.

M & A UPDATE

We are currently working on assessing several potential acquisitions, some that are advanced and we hope to provide the market with a further update within the next 1 to 2 months, subject to commercial negotiations and due diligence. It should be noted that the successful outcome of these negotiations is not yet guaranteed and the board may choose not to continue with all or some of these potential deals depending on the outcome of a final review.

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 2012

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	4,306	11,219
1.2 Payments for		
(a) staff costs	(2,061)	(3,376)
(b) advertising and marketing	(2,033)	(2,904)
(c) research & development	-	-
(d) other working capital	(904)	(8,385)
(e) other	(2)	14
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received/(paid)	-	-
1.7 Other (R&D grant received)	27	594
Net operating cash flows	(660)	(2,802)

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(660)	(2,802)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(54)	(75)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(61)	(387)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
(f) cash acquired on acquisition	-	829
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	(115)	367
1.14 Total operating and investing cash flows	(775)	(2,435)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc (net)	961	2,393
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	961	2,393
Net increase/ (decrease) in cash held	186	(42)
1.21 Cash at beginning of quarter/year to date	1,585	1,926
1.22 Exchange rate adjustments to item 1.21	(196)	(309)
1.23 Cash at end of quarter	1,575	1,575

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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	71
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		71

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	-	-
3.2	Credit standby arrangements	-	-

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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	1,575	1,585
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,575	1,585

Acquisitions and disposals of business entities

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

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: **27 July 2012**

Print name: **Andrew Bursill**

+ See chapter 19 for defined terms.