



MOKO
SOCIAL
MEDIA

31 October 2013
SEPTEMBER 2013 QUARTERLY REVIEW

Moko Social Media Limited

ASX Release:

HIGHLIGHTS:

- **MOKO SIGNS IML DEAL TO EXPAND REC*IT TO OVER 600 COLLEGES**
- **SECURES NEW FUNDING OF \$4 MILLION TO EXPAND OPERATIONS**
- **COMPANY COMMENCES PROCESS FOR NASDAQ LISTING IN THE US**

Chairman's Overview Of Activities

The September quarter was another major milestone period for MOKO, particularly with the completion of the deal with IMLeagues LLC (IML) which was announced to the market on October 14, to expand the reach of REC*IT to over 600 colleges and approximately 10 million students as its addressable audience. After receiving our breakthrough US contract earlier in the year with ACIS, to build and operate the customised mobile community application for US colleges, MOKO now has the exclusive mobile rights from IML for intermural sport, fitness and recreational activity data, for almost half the entire tertiary student population in the USA. This group is a particularly attractive audience for top tier advertisers and will be a solid foundation of MOKO's activities to come.

Originally, before the IML deal, REC*IT was planned to go into a pilot phase during this next quarter. As a result of the expansion to over 600 campuses, together with new technical development in concert with IML, this pilot phase has been pushed out to the first quarter of 2014. Although this is a small delay on the original timetable, it will accelerate the overall rollout through 2014 and result in a much larger addressable audience.

During the quarter, MOKO secured its new Chief Revenue Officer, Mr Mike Hines, who will be based in our New York office as from the end of October. Mike is a long time mobile and advertising industry executive having worked at Nike, Adidas and Pepsi. Mike will oversee all the advertising and revenue generating activities of MOKO's US activities, including OfferMobi.

NASDAQ Listing

The Company has engaged US legal counsel and initiated the process to file an F-1 listing of its shares on Nasdaq, together with a registration for the issue of its securities to enable MOKO's investment bankers to conduct a capital raise with investors in the US. We have sought shareholder approval at the upcoming AGM to raise \$12.5 million in connection to the Nasdaq listing. The proposed timetable has been released to the market recently.

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Finances

With the expansion of REC*IT together with the IML deal, and to ensure that MOKO was in a strong position to aggressively pursue its other business development pipeline, MOKO secured additional capital by way of a \$4 million placement to professional and sophisticated investors.

Greg McCann

Chairman

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")

30 SEP 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	2,419	2,419
1.2	Payments for		
	(a) staff costs	(634)	(634)
	(b) advertising and marketing	(339)	(339)
	(c) research & development	-	-
	(d) other working capital	(2,633)	(2,633)
	(e) other	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	7
1.5	Interest and other costs of finance paid	(93)	(93)
1.6	Income taxes received/(paid)	-	-
1.7	Other (R&D grant received)	-	-
	Net operating cash flows	(1,273)	(1,273)

+ 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 (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,273)	(1,273)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(132)	(132)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1)	(1)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	(167)	(167)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
(f) cash acquired on acquisition	37	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	(263)	(263)
1.14 Total operating and investing cash flows	(1,536)	(1,536)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc (net)	1,623	1,623
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(983)	(983)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	640	640
Net increase/ (decrease) in cash held	(896)	(896)
1.21 Cash at beginning of quarter/year to date	2,519	2,519
1.22 Exchange rate adjustments to item 1.21	(3)	(3)
1.23 Cash at end of quarter	1,620	1,620

+ See chapter 19 for defined terms.

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	108
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	108
-	Services provided by Directors' related entities	-

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	During the quarter MOKO re-paid the TCA US\$850,000 debt facility plus fees	-
		Directors interest free unsecured loan outstanding - A\$100,000	A\$100,000
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	1,620	2,519
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,620	2,519

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Deals I Love Pty Ltd	
5.2	Place of incorporation or registration	Australia	
5.3	Consideration for acquisition or disposal	\$40,000 cash for 51% controlling share interest	
5.4	Total net/ (deficiency) assets	N/A	
5.5	Nature of business	e-commerce	

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: **31 Oct 2013**

Print name: **Andrew Bursill**

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