

# **ASX Release:**

#### MOKO SOCIAL MEDIA LIMITED

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# MARKET UPDATE

# **CHAIRMAN'S UPDATE**

**SYDNEY, October 1st** – MOKO Social Media Limited (NASDAQ; MOKO, ASX: MKB)

# **CHAIRMAN'S UPDATE**

#### **HIGHLIGHTS:**

- More than 70,000 downloads of REC\*IT in only 2 weeks since semester programming launch, appearing in the Top 10 of the Apple App Store's Sport Category
- Native iOS Blue Nation Review (BNR) App launched
- BNR reaches more than 3.2 million unique visitors in August, 52% from mobile devices
- VOYCIT non-partisan political community App set to launch Q4 2014
- New Speakiesy college social/community App to launch in December 2014
- New RunHaven and RaceAdvizor Apps to debut December 2014 and January 2015
- Acquisition of Tagroom.com

#### MOKO is a Community Builder.

We develop and brand mobile social networks for tailored audiences.

We provide a mobile community to large, like-minded groups of people to socialize and communicate around their common interests.

# Introduction

The past year has been a transformational year in the development of your company. We have launched products into the US market, initiated new product development for near term launches, formed significant relationships with key content, sales and marketing partners, expanded our team, opened two new US offices (New York City and Alexandria, near Washington DC) and listed the Company on NASDAQ. In February, our first US based Non Executive Director, Mark Hauser, joined the board. I welcome Mark to the board and especially thank him for his contribution throughout the NASDAQ listing process.

Although we still retain a technical development and R&D team in Perth, Western Australia, the majority of staff are now American and will be headquartered in the new Alexandria office. This is the main hub of operations and the new location of our CEO Ian Rodwell.

MOKO's product development now has three core areas of focus including several "pods". These core areas are:

- College & university students and student athletes
- Politics
- Running, health and fitness

# Product Strategy - owning a targeted monthly active user (MAU)

MOKO identified three heavily populated categories and has developed a suite of digital assets consisting of websites, mobile sites, and mobile apps designed to offer unequalled user engagement amongst likeminded individuals. To address these target markets and sectors, MOKO's portfolio will include, by the end of Q1 2015, seven standalone platforms and apps dedicated to these targeted audiences.

MOKO has launched, is beta testing, or is in the final development phase of the following platforms:

- REC\*IT a college intramural sports, fitness and leisure app
- RunHaven/RaceAdvizor a web/ mobile site and app designed for the US running community
- Blue Nation Review (BNR) a web/mobile site and app for progressive politics commentary
- VOYCIT a community-based user generated content app
- Speakiesy a campus-specific collegiate social community app
- Tagroom.com news and entertainment app

In addition to the existing digital products, MOKO is set to announce the expansion of products and activities in these defined markets in a manner that enables the company to fully complete, market and successfully launch the seven apps through 2015. The company's 2015 core objective is to leverage these destinations and actively engage multiple millions of monthly users.



#### **Key REC\*IT statistics**

Although it has only been a couple of weeks since the formal launch of on-campus activities to fewer than 50% of the universities under contact, the REC\*IT App has already ranked in the top 10 of the Apple App Store's Sports category.

The initial data is solid and we are seeing activity levels where the average user is visiting the app at least daily and have already generated over 100 page views per user so far per month. October and November are expected to be the initial peak months for REC\*IT growth, before a dip in December due to the holiday period, and then ramping up again in late January as the second (Spring) semester unfolds. We are confident that adoption will increase due to further rollouts and the announcement of the tuition sweepstakes.

### **REC\*IT Marketing**

MOKO's first collegiate app has now been officially launched and is being rolled out across more than 850 US universities. Further, the intramural or recreational programs start progressively throughout the year with some key programs starting in the second half of the semester.

As part of REC\*IT's marketing, MOKO has planned several initiatives to run in sequence or in parallel to each school's own academic or sporting program calendars. The first of these marketing activities was the delivery of physical collateral such as banners, brochures and merchandise — our starter kits. These were delivered to REC directors and campus administrators, who in turn, placed the items around their REC centers, gymnasiums and other venues for the various student registration events.

In September we launched the first of the digital marketing initiatives with pleasing results. These were a series of email blasts and IMLeagues "message center" notifications that were either sent from the REC departments or from the IMLeagues database. These resulted in a better than 50% conversion rate and these communications will be structured and sent periodically in October and November to coincide with each school's programing schedules.

MOKO has also organized a series of on-campus initiatives where students recruited and trained by our marketing team will set up stands and REC\*IT kiosks in high traffic areas. These will actively promote the REC\*IT app and link it to the "Win Your Tuition" sweepstakes competition. This activity will run through Thanksgiving and the end of November return to campus.



# **Speakiesy**

MOKO is currently finalizing the planned launch of its Speakiesy social app, specifically focused on the college market. The design and rationale for the app comes as a result of student focus group data received during the initial development and pilot phase of REC\*IT. Speakiesy draws comparisons to the original launch of Facebook, which then was school specific. The only way a student will be able to join their specific college's community is with an official university email account (.edu), thus preventing outsiders from access to the app's content.

The deliberate design of a "closed circuit" app means that users can only engage within their own college community without interference from unwanted non-student body interactions. The app will also feature the ability to follow and post content anonymously, as well as from established profiles. The app will be closely monitored with all visual content being screened via the MOKO moderation system as a failsafe to protect students and schools from undesirable content.





#### **BNR and VOYCIT**

MOKO's political group, under the BNR platform, is witnessing a rapidly growing and engaged audience created from the emergence of BlueNationReview.com. The September launch of the first native iOS BNR App will be followed by an Android version due for release at the end of October.

The positive growth of BNR has led to the development of VOYCIT, the non-partisan political group and community app. The creation of the app is well underway and on track for launch mid Q4 2014; perfectly timed for the heightened 2015 political US cycle featuring the Presidential election buildup to the primary races. VOYCIT is designed to be a non-partisan, user-generated content app that empowers users to create and/or choose to follow "Groups" devoted to specific issues, candidates or causes. VOYCIT is designed to enable both active office holders and aspiring candidates to create customized content channels within the VOYCIT platform. This will enable them to engage and interact with other members/users. In addition to message propagation, the app can dramatically impact local and national fundraising, petition awareness, the establishment of localized activist groups and/or the organizing of local protests and rallies.

Since launching in May, BNR has grown to attract over 3.2 million unique visitors a month, making it one of the top political news and commentary sites in the US. The BNR Facebook page (and its sister page "Progressive America") now has over 600,000 fans combined and our content reaches more than 16 million people every week, with 62% of our fans being women.

BNR is also being quickly recognized by key political groups and operatives as a hub for relevant media and the go-to community representing today's progressive agenda. In September BNR's Executive Editor Jimmy Williams was invited to participate in the important Democratic event – the "Harken Steak-Fry" – in Iowa, where Hillary and Bill Clinton headlined.









#### RunHaven and RaceAdvizor

MOKO recognized that the general endurance sports, health and fitness category is a major market opportunity in the US, and is underserved by current mobile and web-based technologies. Currently, there are more than 30,000 running races or events in the US each year, which draw over 50 million participants.



RunHaven was developed for this audience and has successfully attracted an audience of 360,000 (Likes) Facebook followers. Harnessing the feedback and our knowledge of the market, a redesigned web and mobile platform re-launch, as well as the launch of an app of the same name, is set for Q4 2014. In addition to RunHaven, MOKO will rollout a new sister app called RaceAdvizor in Q1 2015.

RunHaven is set to be the go-to online and mobile destination for users passionate about running. The app is designed to be a complete one-stop destination for all things running; with significant digital touch points dedicated to Reading, Racing, Shopping and Sharing.

RunHaven currently delivers daily content (Read) produced by 32 contributing runners representing 21 States in the US, Canada and Australia. RaceAdvizor will be one of the country's largest online databases with over 30,000 events (Race). Through RaceAdvizor, runners will be able to search and choose their next race, whether it is across town or across the country. Runners will also be able to read/write race reviews and view/share race photos. MOKO is partnering with Pacers Running Stores with the goal of creating a dedicated RunHaven online Store (Shop). This will enable our community to get all of their running products without ever leaving our site. The new sites will include a Forum and Photo Albums (Share) to allow runners to interact with one another as a community.





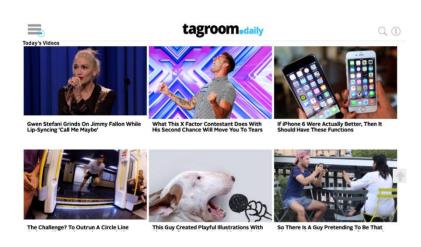
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## Tagroom.com

Tagroom is a news and entertainment service that harnesses social, mobile and visual technologies used by contemporary consumers. Tagroom publishes popular leisure content from across the internet such as viral and trending news, product discoveries and engaging videos. The beta launch has generated upwards of 5 million monthly page views. According to Alexa.com (an Amazon company that measures global internet traffic and user engagement), Tagroom.com is also experiencing exceptional user engagement; average daily users spend more than 11 minutes on the site.

The addition of Tagroom.com to MOKO's portfolio is synergistic with the company's overall audience profile and provides marketers and brands with direct access to coveted hard to reach audiences. Brands and agencies seeking to engage with young adults will find Tagroom complete with a host of native advertising offerings.

MOKO is in the process of developing a dedicated native mobile app for Tagroom with the intention of cross-promoting it across its other properties. The acquisition of Tagroom also brings with it three new senior team members experienced in the creation of viral media and shareable entertainment content for the important 18-30 year-old demographic.





#### **MISSION FOR 2015**

During the past 12 months MOKO has grown well beyond just REC\*IT. As I mentioned in the opening, by the end of the first quarter 2015, the Company will have multiple products operating in key US demographic markets. The company's mission for the next 12 months is to build a combined monthly active user base in the multiples of millions. We believe that this will build substantial overall value in MOKO and provide a basis to grow revenues into a profitable business. The key point is the objective for MOKO to grow, control and monetise a highly targeted and engaged user base, but with sufficient diversity to alleviate seasonality and have multiple shots at goal.

Yours sincerely

Greg McCann Chairman

ENDS.

#### **About MOKO SOCIAL MEDIA Limited**

MOKO identifies large user groups around common interests and provides them with tailored mobile applications with information relevant to that common interest. These are developed entirely by MOKO and then distributed at no charge to these groups and their members, in return for exclusive access and advertising rights.

MOKO's flagship mobile app is REC\*IT: an application that is launching to more than 800 colleges and universities across the US in the latter part of 2014 that provides information about campus sports and recreational activities. Whether students are spectators or participants of campus sports, clubs and societies, this app provides the specific information they need, together with social functionality such as team chat.

In May 2014 MOKO launched Bluenationreview.com (BNR), which has grown to become one of the most visited active political groups on Facebook in the US. A new non-partisan user-generated political App called VOYCIT will also soon be launched. In December 2014 MOKO will also launch a specialist running community app called RunHaven. RunHaven.com is for US recreational runners with event, training, dietary and other runner-relevant information.

#### MOKO is listed on NASDAQ (MOKO) and the Australian Securities Exchange (MKB)

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 buy or sell.

# **Special Note on Forward-Looking Statements**

This press release contains information that may constitute 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, performance of our shares 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 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.