

ASX/NASDAQ Release

SYDNEY, June 26 2015



APPENDIX 3B: EXERCISE & CANCELLATION / REPLACEMENT OF UNLISTED OPTIONS

MOKO SOCIAL MEDIA
LIMITED

ABN 35 111 082 485

ASX: MKB
NASDAQ: MOKO

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New York NY
Perth Australia

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MOKO Social Media Limited has today exercised 6,000,000 unlisted options which expire on 30 June 2015 relating to Non-Executive Director Mark Hauser. Mark has sold a portion of the options to finance \$140,000 of the \$280,000 total option exercise payment due. The balance of the ordinary shares issued will be held. An Appendix 3B relating to the share issue and a Change of Directors' Interest Notice were released on 26 June 2015.

In addition, the Company has today cancelled 2,000,000 unlisted options over the Company's American Depositary Shares and replaced them with 2,000,000 options over ordinary shares with the same exercise price and expiry date. This change results in no net impact to the Company's capital structure. A waiver of ASX Listing Rule 6.23.2 was received to enable to cancellation and issue of replacement options.

For more information contact:

Emma Waldon, Company Secretary, emma.waldon@mokosocialmedia.com

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005, 01/08/2012, 04/03/2013

Name of entity

MOKO Social Media Limited

ACN

111 082 485

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Ordinary shares
2. Unlisted options
3. Unlisted options
4. Unlisted options over American Depositary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 6,250,000 Ordinary shares
2. (6,250,000) Unlisted options
3. 2,000,000 Unlisted options
4. (2,000,000) Unlisted options over American Depositary Shares

+ See chapter 19 for defined terms.

<p>3 Principal terms of the ⁺securities (eg, if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)</p>	<ol style="list-style-type: none"> 1. Ordinary shares 2. 3,000,000 Unlisted Options, \$0.04 exercise price, expiry date 30 June 2015 1,000,000 Unlisted Options, \$0.02 exercise price, expiry date 30 June 2015 1,000,000 Unlisted Options, \$0.03 exercise price, expiry date 30 June 2015 1,000,000 Unlisted Options, \$0.11 exercise price, expiry date 30 June 2015 250,000 Unlisted Options, \$0.06 exercise price, expiry date 31 July 2016 3. 1,000,000 Unlisted Options, US\$0.05 exercise price, expiry date 30 June 2016 1,000,000 Unlisted Options, US\$0.075 exercise price, expiry date 30 June 2016 4. 1,000,000* Unlisted Options over American Depositary Shares, US\$0.05* exercise price, expiry date 30 June 2016 1,000,000* Unlisted Options over American Depositary Shares, US\$0.075* exercise price, expiry date 30 June 2016 (* expressed here in ordinary shares and equivalent exercise price where 1 ADS equals 40 ordinary shares)
<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. \$295,000.00 total exercise proceeds received 2. N/A – exercise of unlisted options 3. N/A – issue of unlisted options 4. N/A – cancellation of unlisted options over American Depositary Shares

⁺ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ol style="list-style-type: none"> 1. Exercise of unlisted options 2. Exercise of unlisted options 3. Issue of unlisted options to replace cancelled unlisted options over American Depositary Shares with no change to exercise price and expiry date (a waiver from ASX listing rule 6.23.2 was received) 4. Cancellation of unlisted options over American Depositary Shares
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	2,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	0
6f	Number of securities issued under an exception in rule 7.2	6,250,000
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

+ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	97,663,833 (Refer to Annexure 1 for Calculation)
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7	<p>⁺Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	26 June 2015
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8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	⁺ Class
		755,486,679	(MKB) Ordinary Shares

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		20,000,000	Performance Shares
		10,000,000	(MKBAO) Director Unlisted Options, \$0.042, Exp 30 July 2016
		500,000	(MKBAO) Employee Unlisted Options, \$0.06, Exp 31 Jul 2016
		4,250,000	(MKBAO) Employee Unlisted Options, \$0.17, Exp 31 Jul 2016
		3,450,000	(MKBAO) Unlisted Options, \$0.155, Exp 24 October 2015
		16,000,000	Unlisted options, \$0.40, Exp 28 November 2015
		6,400,000	Unlisted options, \$0.10, Exp 28 November 2015

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	2,000,000	Unlisted options, \$0.20, Exp 31 January 2016
		1,000,000	Unlisted options, US\$0.15, Exp 31 December 2015
		250,000	Unlisted options, US\$0.17, Exp 30 June 2016
		1,000,000	Unlisted options, US\$0.1875, Exp 30 June 2015
		7,500,000	Unlisted options \$0.19, Exp 26 November 2017
		3,000,000	Unlisted options \$0.19, Exp 26 November 2016
		1,000,000	Unlisted Options \$0.196, Exp 31 January 2017
		1,000,000	Unlisted Options \$0.20, Exp 20 December 2016
		6,420,000	Unlisted options over American Depositary Shares (expressed here in ordinary shares where 1 ADS equals 40 ordinary shares)
		700,000	Unlisted Options \$0.17, Exp 31 December 2016
		750,000	Unlisted Options \$0.075, Exp 31 December 2016
		1,000,000	Unlisted Options US\$0.05, Exp 30 June 2016
		1,000,000	Unlisted Options US\$0.075, Exp 30 June 2016
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the ⁺ securities will be offered	Not applicable
14	⁺ Class of ⁺ securities to which the offer relates	Not applicable
15	⁺ Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable

⁺ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Despatch date	Not applicable

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which ⁺quotation is sought

Not applicable

39 Class of ⁺securities for which quotation is sought

Not applicable

⁺ See chapter 19 for defined terms.

40	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	⁺ Class
		Not applicable	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 26 June 2015
(~~Director~~/Company secretary)

Print name: Emma Waldon

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	549,666,085
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	204,073,491
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	753,739,576

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	113,060,936
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	15,397,103
“C”	15,397,103
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	113,060,936
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	15,397,103
Total [“A” x 0.15] – “C”	97,663,833 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.