



MOKO.mobi Limited

ASX Release:

Market Update – MOKO signs agreement with American Intramural Sports Group LLC (AISG).

MOKO signs exclusive deal to develop Mobile Intramural Sports Network (MISN) platform for US colleges.

Sydney - 6 March 2013: MOKO is pleased to announce that it has signed an exclusive development agreement with American Intramural Sports Group LLC (**AISG**). The term of the agreement is for an initial 3 years and will automatically be extended by 1 year, after the third and each successive anniversary of the expiry of the 3-year term, unless either party seeks to terminate.

AISG is an organisation that provides opportunities for colleges, students, and sponsors to mutually benefit through sports, recreation and fitness-related promotional activities on more than 200 college campuses across the USA. It is expected that the Mobile Intramural Sports Network service and platform (**MISN**) will to be jointly developed by MOKO and AISG and is intended to include a variety of social features and tools including the ability to register for team activities, check schedules, player standings and scores, individual performances and post photos and content related to collegiate intramural sports. The plan is that MISN will also enable students to share the information and content with their other social network applications, such as facebook, Twitter, Instagram, Pinterest etc.

AISG has developed an expertise in the area of collegiate recreational sports and fitness programs. This expertise includes a network of institutions with which AISG has contractual business relationships, in which they develop and implement sponsored promotional activities. AISG will consult and assist the MOKO development team exclusively with the development of MISN and provide the integrations and assist in building direct relationships with AISG member schools.

“This is a significant project for MOKO”, said CEO Ian Rodwell. “According to the US National Centre for Education Statistics*, in 2010 alone, approximately 21 million students enrolled at tertiary institutions across the country. MOKO understands roughly half of those students will play intramural sports or participate in recreational and fitness activities. We believe this is a unique and targeted audience that represents a major opportunity to establish a significant mobile business for MOKO in the US, which will leverage the rapidly growing mobile advertising market. This initiative is also expected to enable MOKO to vertically integrate the resources, skills sets and sales opportunities from our OfferMobi USA mobile advertising division.”

AISG will also provide MOKO with specific elements that will promote the MISN service and in general support MISN wherever possible with the member schools, and the other

advertising assets that are owned or managed by AISG. The platform will be commercialised by providing the mobile service free to the colleges and the students, and then selling advertising opportunities to those sponsors, businesses and organisations wishing to reach the US college student demographic and their families.

MOKO and AISG will work together on certain national advertising programs that involve the bundling of benefits, which include sponsorship elements from the AISG existing business. MOKO will assist AISG in the development, pricing and inclusion of mobile digital advertising in these programs. AISG currently works with national advertisers and sponsors, such as Nike, Proctor & Gamble and Microsoft.

MOKO will fund the creation and build of MISN and retain ownership of all intellectual property and assets relating to the design, development and on going operation of the MISN. AISG will receive a revenue share from the advertising revenues. MOKO's OfferMobi USA mobile advertising division will be responsible for managing the advertising inventory and selling and brokering the advertising with media buyers and mobile affiliate marketing partners.

Upon AISG signing the agreement, MOKO will pay AISG US\$100,000 as an initial advance against future revenue. In addition, MOKO has agreed to issue or grant to AISG:

- a) 1 million options to be priced at the 7 day VWAP value of MOKO's ASX share quoted price at the time of MOKO's listing on NASDAQ¹ or US\$0.10, whichever is the lower;
- b) the right to buy up to US\$250,000 of MOKO shares each year for the term of the agreement with AISG, at a 20% discount to then prevailing market price of MOKO ordinary shares; and
- c) the right to buy up to US\$500,000 of MOKO shares in the "insider round" for the capital raise² in conjunction with MOKO's planned NASDAQ listing on the same terms as the insiders.

Advertising and other revenue generated from the exploitation of MISN technology will be shared between MOKO and AISG in varying percentages, based on the extent to which AISG is responsible for procuring and generating that revenue. These revenue sharing arrangements are similar to other "joint" developments arrangements that MOKO has previously entered into.

MOKO will commence the initial design and scoping work for the MISN immediately and development is expected to take place through the US spring/summer period, with an initial pilot launch scheduled for early in the US school year, during the 4th quarter 2013.

Greg McCann
Chairman

¹ MOKO is not under any obligation or commitment, whether to AISG or any other person, to apply for a NASDAQ listing. Furthermore, no decision has been made by the board of directors of MOKO to commence an application for such a listing.

² In addition to the comments in footnote 1, no decision has been made by the board of directors of MOKO to effect any capital raising in connection with an application for a NASDAQ listing.

* Source: <http://nces.ed.gov/fastfacts>