

27 October 2017

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Moko Social Media Limited (Administrators Appointed)
ACN 111 082 485
ASX: MKB
(the Company)

I refer to the appointment of Tim Heenan and I as Joint and Several Voluntary Administrators of the Company on 31 May 2017. I wish to advise that Tim Heenan retired as Administrator of the Company on 20 September 2017, leaving me as the sole Administrator.

I wish to advise that I have today issued a report to creditors of the Company pursuant to Section 439A of the Corporations Act 2001 (**Act**). A copy of the report is available at www.deloitte.com/au/moko-social-media.

A second meeting of creditors of the Company will be held on Monday 6 November 2017 at 11.00am (WST) at the offices of Deloitte, Level 9, Tower 2, Brookfield Place, 123 St Georges Terrace, Perth WA 6000.

At this meeting, creditors will be asked to make a decision by passing a resolution in respect of the options available to them under section 439C of the Act. The options available are:

1. That the Company execute a Deed of Company Arrangement
2. That the Administration end or
3. That the Company be wound up.

I have received a proposal for a Deed of Company Arrangement (**DOCA**) to recapitalise the Company. I have made a statement in the report to creditors under Section 439A(4)(b) that in my opinion it would be in the creditors' interests for the Company to execute a DOCA, as the terms of that proposal would provide a better outcome to creditors of the Company over liquidation. Key components of the DOCA proposal are as follows:

- consolidation of ordinary shares and options on a 300 to 1 basis
- the DOCA Proponent will undertake a capital raising of not less than \$2.25m
- the DOCA Proponent will provide a loan to the Company of \$120,000 to be used to pay for data recovery and storage, ASX listing fees and employee entitlements repayable only if the Company has the ability to do so and is secured over data assets recovered only
- creditors holding registered General Security Agreements over the Company will receive 12,141,667 shares in the Company in satisfaction of amounts owed to them
- new directors appointed to the Company will receive 15m options in the Company
- the DOCA Proponent will receive 70m options in the Company
- a Creditors' Trust will be created whereby all remaining claims against the Company (i.e. employees and unsecured creditors) will be transferred to a Creditors' Trust, thus extinguishing such claims against the Company

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- upon the satisfaction of certain conditions precedent a research and development claim, lodged with the Australian Taxation Office (ATO), of not less than \$250,000 (before any set-off by the ATO), will be made available to the Deed Administrator/Trustee to be paid into the Creditors' Trust
- further amounts will be transferred to the Creditors Trust, from the proceeds of the capital raising and the \$120,000 loan to enable the payment of administration fees and expenses, the payment of employee entitlements in full and to enable an amount of \$20,000 to be made available to unsecured creditors
- Shares in subsidiaries of the Company will be transferred to the Creditors' Trust
- Valid employee claims will be met in full.

We request that shareholders refrain from contacting our office at this time.

For all other queries please contact Jordan Basso on (08) 9365 7849.

Yours faithfully

Jason Tracy
Administrator