

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed “Risk Factors” in Part II of this document.**

This document is an admission document for the purposes of the AIM Rules. This document does not constitute an offer to the public within the meaning of section 85 FSMA therefore this document is not an approved prospectus for the purposes of, and as defined in, section 85 FSMA and has not been prepared in accordance with the Prospectus Rules. This document has not been approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

The Directors, whose names appear on page 5 of this document accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Application has been made for the whole of the ordinary share capital of the Company both issued and to be issued pursuant to the Placing and the Acquisition to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on 5 July 2007.**

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The rules of AIM are less demanding than those of the Official List and it is emphasised that no application is being made for admission of these securities to the Official List. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

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## MobilityOne Limited

*(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 96293)  
(ISIN JE00BIZ48326)*

### Placing of 12,300,000 new Ordinary Shares at 12.5 pence per Ordinary Share and Admission to trading on AIM

*Nominated Adviser and Broker*

## HB Corporate

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#### Share capital immediately following Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£10,000,000	400,000,000	Ordinary Shares of 2.5 pence each	£2,348,430.10	93,937,204

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The Placing is conditional, *inter alia*, on Admission taking place on or before 5 July 2007 (or such later date as the Company and HB Corporate may agree but, in any event, not later than 18 July 2007). The Placing Shares will on Admission rank in full for all dividends or other distributions declared, made or paid on the ordinary share capital of the Company after the date of this document and will rank *pari passu* in all respects with all the Ordinary Shares which will be in issue on completion of the Placing.

HB Corporate, which is authorised and regulated by the Financial Services Authority, is the Company's Nominated Adviser and Broker and is acting exclusively for the Company in relation to the Admission and Placing for the purposes of the AIM Rules and will not be responsible to any other person for providing the protections afforded to customers of each of them or for providing advice in relation to the Placing or Admission or the

contents of this document or any matter referred to herein. HB Corporate has not authorised the contents of any part of this document. The responsibilities of HB Corporate as Nominated Adviser are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person whether in respect of any decision to acquire Placing Shares in reliance on any part of this document or otherwise. No liability is accepted by HB Corporate for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the Company and the Directors are solely responsible.

This document does not constitute an offer to sell or the solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa or Japan. The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) nor under the applicable securities legislation of the United States or any province or territory of Canada, Australia, South Africa or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, South Africa or Japan or to any national, resident or citizen of the United States of America, Canada, Australia, South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

A copy of this document has been delivered to the Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company.

It must be distinctly understood that, in giving these consents, neither the Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or the correctness of any statements made, or opinions expressed, with regard to it.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other financial adviser.

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

It should be remembered that the price of securities and the income from them can go down as well as up.

### **Forward looking Statements**

This document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements contained in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Group are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as the date of this document. Neither the Directors nor the Group undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules, or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication of this document	29 June 2007
Admission effective and commencement of dealings on AIM	5 July 2007
Settlement of Placing Shares through CREST	5 July 2007
Despatch of definitive share certificates (where applicable) in respect of the Placing Shares	11 July 2007

## **PLACING STATISTICS**

Placing Price per Ordinary Share	12.5 pence
Number of existing Ordinary Shares	81,637,204
Number of Placing Shares	12,300,000
Number of Ordinary Shares in issue following the Placing	93,937,204
Percentage of the enlarged share capital subject to the Placing	13.1%
Market capitalisation of the Company at the Placing Price	£11,742,150.50
Gross proceeds of the Placing	£1,537,500
Estimated net proceeds of the Placing receivable by the Company	£1,157,500
ISIN	JE00B1Z48326

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Dato' Dr. Wan Azmi bin Ariffin ( <i>Non-Executive Chairman</i> ) Hussian @ Rizal bin A. Rahman ( <i>Chief Executive Officer</i> ) Derrick Chia Kah Wai ( <i>Chief Technology Officer</i> ) Seah Boon Chin ( <i>Corporate Finance Director</i> ) Dato' Shamsir bin Omar ( <i>Non-Executive Director</i> ) Kjetil Langland Bohn ( <i>Non-Executive Director</i> )
<b>Registered Office</b>	Walker House PO Box 72 28-34 Hill Street Jersey JE4 8PN Channel Islands
<b>Business Address for MobilityOne Sdn Bhd</b>	C-G-11 Block C Jalan Dataran SD1 Dataran SD PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur Malaysia
<b>Telephone Number</b>	+603-6286 1922
<b>Secretary</b>	Walkers Secretaries Limited Walker House 28-34 Hill Street Jersey JE4 8PN Channel Islands
<b>Nominated Adviser and Broker</b>	HB Corporate 40 Marsh Wall London E14 9TP United Kingdom
<b>Auditors</b>	Tenon Audit Limited Charnwood House Gregory Boulevard Nottingham Nottinghamshire NG7 6NX United Kingdom
<b>Reporting Accountants</b>	Tenon Corporate Finance Charnwood House Gregory Boulevard Nottingham Nottinghamshire NG7 6NX United Kingdom
<b>Legal Advisers to the Company as to English law</b>	Osmond & Osmond 62-67 Temple Chambers Temple Avenue London EC4Y 0HP United Kingdom

<b>Legal Advisers to the Company as to Malaysian law</b>	Azlinda Ezrina & Co. Suite 33-01-41, 33rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia
<b>Legal Advisers to the Company as to Jersey law</b>	Walkers Walker House PO Box 72 28-34 Hill Street Jersey JE4 8PN Channel Islands
<b>Legal Advisers to the Nominated Advisor and Broker</b>	Stephenson Harwood One, St Paul's Churchyard London EC4M 8SH United Kingdom
<b>Registrars</b>	Computershare Investor Services (Channel Islands) Limited PO Box 83, Ordnance House 31 Pier Road St Helier Jersey JE4 8PN Channel Islands
<b>Financial Public Relations</b>	Threadneedle Communications 107-111 Fleet Street London EC4A 2AB United Kingdom

## DEFINITIONS

In this document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings:

“ABOSSE™”	Adaptive Business and Operation Support Systems Environment solution, a proprietary technology solution of the Group
“Act”	the Companies Act 1985 of England and Wales (as amended)
“Acquisition”	the acquisition of the entire issued share capital of MobilityOne Malaysia by the Company, as more particularly described in paragraph 2.6.4 of Part VI of this document
“Admission”	admission of the Ordinary Shares in issue to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules following the Acquisition and the Placing
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM rules for companies as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers as published by London Stock Exchange from time to time
“Alliance”	Alliance Bank Malaysia Berhad (Company No.88103-W)
“AmBank”	AmBank (M) Berhad (Company No. 8815-D)
“Articles of Association” or “Articles”	the Articles of Association of the Company
“BH Petrol”	Boustead Petroleum Marketing (M) Sdn. Bhd. (Company No. 5783-T)
“Board” or “Directors”	the Directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof
“Broker”	the Company’s broker, as defined in the AIM Rules
“Celcom”	Celcom (M) Berhad (Company No. 167469-A)
“CIMB”	CIMB Bank Berhad (Company No. 13491-P)
“Citibank”	Citibank Berhad (Company No. 297089-M)
“Code”	The City Code on Takeovers and Mergers of the UK
“Company” or “MobilityOne”	MobilityOne Limited, a company registered in Jersey (Company No. 96293)
“CREST”	the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by CRESTCo
“CRESTCo”	CRESTCo Limited (or, as from 1 July 2007, Euroclear UK & Ireland Limited), a company incorporated in England and Wales with registered number 2878738
“D&B Report”	an Independent Market Research Report prepared by Dun & Bradstreet for the Group dated May 2007

“DiGi” or “DiGi.COM”	DiGi Telecommunication Sdn. Bhd. (Company No. 201283-M)
“Dun & Bradstreet”	Dun & Bradstreet (D&B) Malaysia Sdn. Bhd. (Company No. 527570-M)
“e-Cosway”	eCosway.com Sdn. Bhd. (Company No. 509213-A), a MLM company which is an online shopping mall and is supported offline by hundreds of neighbourhood sales centres mainly in Malaysia
“Enlarged Share Capital”	the issued share capital of the Company immediately following the Placing and Admission
“Financial Services Authority” or “FSA”	the Financial Services Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 of the UK, as amended
“GHL”	GHL Systems Berhad (Company No. 293040-D)
“Group” or “MobilityOne Group”	the Company and its subsidiaries for the time being
“HB Corporate”	HB Corporate, a trading division of Hoodless Brennan Plc, the Company’s Nominated Adviser and Broker
“Jersey Regulations”	the Companies (Uncertificated Securities) (Jersey) Order 1999
“Law”	the Companies (Jersey) Law 1991 (as amended)
“London Stock Exchange”	London Stock Exchange plc
“Maxis”	Maxis Communication Berhad (Company No. 158400-V)
“MoCS™”	Mobility Commerce Solution, a proprietary technology solution of the Group
“MDeC”	Multimedia Development Corporation Sdn. Bhd. (Company No. 389346-D)
“MEPS”	Malaysian Electronic Payment System (1997) Sdn. Bhd. (Company No. 412829-K)
“MobilityOne Malaysia”	MobilityOne Sdn. Bhd. (Company No. 601637-T), a wholly-owned subsidiary of the Company
“Netoss”	Netoss Sdn. Bhd. (Company No. 630067-H), a wholly-owned subsidiary of MobilityOne Malaysia
“Nominated Adviser”	the Company’s Nominated Adviser, as defined in the AIM Rules
“Official List”	the Official List of the UKLA
“Ordinary Shares” or “Shares”	ordinary shares of 2.5 pence each in the share capital of the Company
“Panel”	the Panel on Takeovers and Mergers in the UK
“Petronas”	Petronas Dagangan Berhad (Company No. 88222-D)
“Placees”	the subscribers for the Placing Shares pursuant to the Placing
“Placing”	the placing of the Placing Shares at the Placing Price

“Placing Agreement”	the placing agreement dated 25 June 2007 between (1) the Company, (2) the Directors, and (3) HB Corporate, a summary of which is set out in paragraph 7.2 of Part VI
“Placing Price”	12.5 pence per Ordinary Share
“Placing Shares”	the 12,300,000 new Ordinary Shares being issued by the Company pursuant to the Placing
“Prospectus Rules”	the prospectus rules of the UKLA
“Registrar of Companies”	the Registrar of Companies in Jersey
“RHB”	RHB Bank Berhad (Company No. 6171-M)
“RM”	Ringgit Malaysia
“Shareholders”	holders of the Ordinary Shares
“Share Option Plan”	the employee share option plan established by the Company, further details of which are set out in paragraph 11 of Part VI of this document
“Share Swap Agreement”	the agreement dated 22 June 2007 made between (1) Hussain @ Rizal Bin A. Rahman, (2) Lim Peng Kwee, (3) Dato’ Shamsir Bin Ormar, (4) Lim Lae Yong, (5) Wong Ah Kau @ Wong Mun Sang, (6) Wong Wai Choong, (7) Cheah King Fui, (8) Thornbeam, (9) GHL, (10) Always Wealthy Sdn Berhad and (11) MobilityOne in relation to the Acquisition
“Shell”	Shell Malaysia Trading Sdn. Bhd. (Company No. 6087-M)
“Subsidiaries”	the subsidiaries (construed within the meaning of section 736 of the Act) of the Company
“Telekom”	Telekom Malaysia Berhad (Company No. 128740-P)
“Thornbeam”	Thornbeam Limited, a company incorporated in Jersey with registered number 67081
“TM”	denotes an item as registered or pending registration at the Malaysian trademark registry
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the FSA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“US” or “USA”	the United States of America, its territories and possessions, any state of the United States and District of Columbia
“£”	pounds sterling, the legal currency of the UK

## GLOSSARY

“ATM”	Automated Teller Machine
“EDC terminal”	An electronic draft capture terminal, also referred to as a point of sale terminal. An EDC terminal is normally used by retailers to facilitate receipt of payments from customers using credit or debit cards
“HTTP”	Hyper Text Transport Protocol
“IDD”	International Direct Dial
“Micro-Payment Recharge”	the process of topping up the credit held on a smart/chip based card or in a customer’s account
“Multi-Level Marketing” or “MLM”	a business method that uses a network of independent business owners to sell consumer products supplied by another company
“MNO”	Mobile Network Operator
“MSC”	Multimedia Super Corridor
“PIN”	Personal Identification Number
“R&D”	Research and Development
“SDLC”	Synchronous Data Link Control protocol
“SMS”	Short Messaging Services
“STD”	Standard Trunk Dial
“TCP”	Transmission Control Protocol
“TMS”	Technology Managed Services
“Touch n Go”	An electronic payment method for transportation marketed by Rangkaian Segar Sdn. Bhd. (Company No. 406400-X)

### **Exchange Rate**

The rate of exchange as at 31 May 2007 is £1.00: RM 6.724 except where otherwise stated.

## KEY INFORMATION

**The following summary information is derived from, and should be read in conjunction with, the full text of this document. Prospective investors should read the whole document and not just rely on the key information set out below. In particular, attention is drawn to Part II of this document entitled “Risk Factors”.**

### Business

MobilityOne is the holding company of an established and profitable group of companies based in Malaysia in the business of providing e-commerce infrastructure payment solutions and platforms through their proprietary technology solutions, which are marketed under the brands MoCS™ and ABOSSÉ™. The vast majority of the Group’s income is currently derived from prepaid reloads for mobile phones, the Internet and IDD/STD (international and local call card services) but the nature of the Group’s technology platform allows it to add further products and services.

The Group has developed an end-to-end e-commerce solution which connects various service providers across several industries such as banking, telecommunication and transportation through multiple distribution devices such as EDC terminals, SMS, ATMs, and Internet banking. Through the multiple distribution channels available the Group is currently selling the following products to consumers:

- Prepaid airtime for mobile phone reloads;
- Prepaid airtime for international and local calls;
- Prepaid Internet usage reloads;
- Prepaid mobile phone user registration;
- Electronic ticketing for buses and events; and
- Prepaid online gaming reloads.

The Group’s technology platform is flexible, scalable and has been designed to facilitate cash, debit card and credit card transactions (according to the device) from multiple devices while controlling and monitoring the distribution of different products and services.

With full ownership of the intellectual property rights, the Group generates revenues from its technology platform in three ways:

- (a) By selling electronic based products via EDC terminals located in retail outlets including convenience stores, petrol stations and restaurants. The Group operates terminals under two brands: “onepoint™” which is a full service terminal located behind the counter of a retail outlet and controlled by the merchant; and “Mr Kiosk” which is a self service terminal located on the shop floor of a retail outlet. Revenues are generated on sales commissions and a fee per transaction basis depending on the product sold;
- (b) By offering the Group’s technology platform as a complete or partial Technology Managed Services (“TMS”) to banks and MLM companies the Group can leverage off these partners’ existing customer bases by integrating its technology platform into that partner’s existing networks. Products and services can then be offered to the partners’ customers through Internet banking and ATMs, in the case of banks, and through SMS, in the case of MLM companies. Revenue generated through TMS is shared between the Group and the TMS partner; and
- (c) By providing or licensing all or part of the Group’s technology platform to interested companies or partners both locally within Malaysia and in the future internationally. The Group intends to generate further revenues through license fees and the provision of system training and professional services with the possibility of further annual maintenance and support charges.

The Group's product suppliers are broadly categorised as prepaid product suppliers such as mobile, IDD/STD, Internet providers, and non-prepaid product suppliers, such as ticketing and Micro-Payment Recharge providers. Approximately 90 per cent. of the Group's revenue is generated from prepaid products.

### **Strategy**

Following Admission to AIM, the Group's strategy will be focussed on the following areas:

- (a) *Continue to Increase the Number of Distribution Points:* Central to the Group's strategy following Admission is to continue to increase the number of distribution points available to consumers for the products and services offered through the Group's technology platform. The potential to increase the number of distribution points will come from the collaboration with additional merchants, banks and MLM companies;
- (b) *Regional Expansion:* The Group intends to market its technology platform throughout the surrounding region to Malaysia, in particular: Indonesia; the Philippines; Cambodia; Brunei; Thailand; Bangladesh; Vietnam and China. Any such expansion would be on a gradual basis and typically either by means of setting up a local sales office or establishing a joint venture with a local partner;
- (c) *Continuous R&D:* The Group intends to continue to allocate sufficient funds to continue the development and improvement of the Group's proprietary technology platform;
- (d) *Expanding the Range of the Group's Products and Services:* By expanding the range of products and services available on its technology platform, such as bill payments, the Group will be able to gain access to more markets to broaden its sources of revenue whilst at the same time reducing the relative risk of being over exposed to any particular market;
- (e) *Developing New Distribution Channels:* In addition to increasing the products and services, the Group intends to continue to develop and improve its available distribution channels; and
- (f) *Targeting Organisations with Large Customer Bases:* The Group intends to continue to target organisations with large customer bases that have networks of members or participating merchants that are reluctant to commit high capital expenditure to delivering new technologies.

### **Key Strengths**

The Directors believe the Group has the following key strengths:

- (a) *Proven Proprietary Technology:* The Group's technology has been in operation in the market since 2004 and is accepted and utilised by several major banks, retailers and MNOs in Malaysia;
- (b) *Multi Distribution Devices:* The Group's technology platform has four distribution devices - namely terminals, SMS, ATMs and Internet banking networks. It has over 3,000 existing points of sale in the form of terminals with retail agents such as Shell, Petronas and BH Petrol and has commenced distribution via the Internet banking operations of certain major banks in Malaysia including CIMB and RHB giving the Group access to the banks' customers;
- (c) *Broad Range of Products:* The Group's technology supports multiple products including prepaid reloads for mobile phones, the Internet and IDD/STD (international and local call card services) together with ticketing for major events such as the Malaysian Grand Prix as well as day to day operations such as purchasing bus tickets;
- (d) *Multi Payment:* Unlike some competitors, the Group's technology solutions can facilitate payments through each of credit card, debit card and cash as well as by internet banking; and
- (e) *Flexible Business Model:* Ownership of its proprietary technology allows the Group to offer its technology solutions to customers in a number of ways either as an outsourced TMS or by way of licensing the technology to possible joint-venture partners in new countries.

## Trading History

The consolidated income statement of MobilityOne Malaysia for the financial period ended (“FPE”) 31 March 2004, financial year ended 31 March (“FYE”) 2005, FYE 2006 and the 9-month period ended 31 December (“9mPE”) 2006 is set out below and full details are set out in Part IV of this document:

	<i>FPE 2004</i>	<i>FYE 2005</i>	<i>FYE 2006</i>	<i>9mPE 2006</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	–	5,439	9,791	8,597
Cost of sales	–	(4,709)	(8,479)	(7,267)
Gross profit	–	730	1,312	1,330
Other operating income	–	–	–	22
Administrative expenses	(4)	(480)	(456)	(520)
Distribution costs	–	–	(442)	(306)
Operating (loss)/profit	(4)	250	414	526
Finance costs	–	–	(21)	(52)
(Loss)/Profit before taxation	(4)	250	393	474
Taxation	–	–	(2)	(32)
Net (loss)/profit for the FP/FY	(4)	250	391	442

## The Placing

The Company is issuing 12,300,000 Placing Shares at 12.5 pence per Placing Share pursuant to the Placing to raise approximately £1.537 million before expenses. The Placing will provide additional funds for the Group’s overseas expansion, continued roll out of terminals and to finance its R&D expenditures. In addition, the Placing proceeds will be applied towards the costs of Admission and to provide working capital for the Group.

# PART I

## INFORMATION ON THE GROUP

### **Background and history**

MobilityOne was incorporated in Jersey on 22 March 2007 and on 22 June 2007 it acquired the entire issued share capital of MobilityOne Malaysia. MobilityOne Malaysia in turn is the holding company of Netoss. MobilityOne, MobilityOne Malaysia and Netoss together comprise the Group. The Group is in the business of providing e-commerce infrastructure payment solutions and platforms through its proprietary technology solutions, which are marketed under the brands MoCS™ and ABOSSE™. Through its technology, the Group provides product and payment channels for mobile phone, IDD/STD and Internet prepaid reloads as well as ticketing options through multiple distribution channels including EDC terminals, SMS, ATMs, and Internet banking.

MobilityOne Malaysia was incorporated in Malaysia on 23 December 2002 with the name of Whoops Sdn. Bhd. and changed to its present name on 23 December 2005.

On 30 June 2004, MobilityOne Malaysia acquired *inter alia* the intellectual property rights of an application software known as “Mobile Commerce” from GHL for RM3.8 million. Subsequently, MobilityOne Malaysia redeveloped, modified and upgraded the software and branded the technology as MoCS™.

On 31 March 2005, MobilityOne Malaysia entered into an agreement to acquire Netoss to complement MoCS™ and to enhance the integration of MoCS™ with the back-end infrastructure of service providers. Netoss offers network management solutions and related services.

MobilityOne Malaysia was awarded MSC status on 27 April 2005 by MDeC, and as a result is entitled to tax free incentives for up to ten years in Malaysia. On 10 November 2006, it was registered as an export company in Malaysia with Malaysian External Trade Development Corporation and is entitled to certain associated benefits.

Currently, in addition to the Group’s presence through certain ATMs, Internet banking and SMS, the Group has more than 3,000 points of sale through both, full service, merchant managed, EDC terminals and self-service kiosks located throughout Malaysia at retailers including Shell, Petronas and BH Petrol.

### **Prepaid Mobile Phone Market**

The number of subscribers in the Malaysian mobile telecommunications industry grew from approximately 9.1 million in 2002 to approximately 19.5 million in 2006 a rise of some 114.2 per cent.. The prepaid share of the mobile telecommunications market surpassed the postpaid share for the first time in 2001 and has maintained a dominant position since then. In 2006, the prepaid market share constituted 82.7 per cent. of all mobile telecommunication subscribers in Malaysia by number of users as compared to 49.3 per cent. in 2000.

The estimated market value of the Malaysian mobile telecommunication industry as at end 2006 stood at RM14.5 billion, an increase of approximately 12.4 per cent. from the estimated market values of the industry as at the end of 2005 (RM12.9 billion). The dominance of the prepaid market is evident from the fact that the mobile prepaid market value exceeded the mobile postpaid market value by RM4.5 billion as at end 2006, with a prepaid mobile market valuation estimated at RM9.5 billion compared to a postpaid mobile market valuation of approximately RM5 billion.

The Directors’ belief, which is supported by the D&B Report, is that the overall prospects of the Malaysian prepaid industry remain bright with new innovative services such as 3G, mobile gaming, mobile content, video calls and more competitive international call rates expected to drive prepaid growth into the next decade. The Directors expect demand for virtual reloads and Pinless reloads to grow strongly as MNOs progressively seek to reduce production of physical cards to save printing and logistic costs, increase profit margins and streamline inventory management.

The Directors further believe that the multi-billion Ringgit mobile prepaid market possesses ample growth opportunities for companies with innovative technologies and sound business models and this belief is also supported by the D&B Report. The technologies and services offered by the Group are expected to create greater operational efficiencies and provide service providers with a wider reach into the marketplace. These are important competitive advantages that traditional sales and distribution models are not able to achieve without committing substantial upfront investment.

In addition, countries in to which the Group intends to expand in the next two years appear to provide substantial potential for the Group in view of the dominance of the mobile prepaid markets as shown in the table below:

<i>Country</i>	<i>Total Mobile Subscribers (in 2006)</i>	<i>Mobile Penetration Rate (%)</i>	<i>Total Mobile Prepaid Subscribers (in 2006)</i>	<i>Estimated Mobile Prepaid Penetration (%)</i>
Bangladesh	19,877,500	13.3	17,889,750	90.0
Cambodia*	1,449,490	10.4	1,416,151	97.7
China	445,782,000	33.9	317,842,566	71.3
Indonesia	60,495,000	24.2	55,050,450	91.0
Philippines	41,046,200	45.7	unavailable	unavailable
Thailand	37,059,630	57.2	31,765,397	85.7
Vietnam	16,021,090	19.1	12,816,872	80.0
Brunei*	339,000	89.4	271,200	80.0

\* as at 3rd quarter of 2006

(Source: D&B Report)

Whilst the prepaid mobile phone market is core to the Group's current revenues, due to the ability of the Group to handle multiple products, its market is not restricted to prepaid mobile phones and the Group intends to move further into other markets such as entertainment and travel through ticketing as well as other payments.

### **Business Model**

The Group's business model is built around its proprietary software behind its technology platform namely MoCS™ and ABOSS™. The Group's technology platform is fully flexible and scalable, designed to manage cash, debit card and credit card transactions from multiple distribution devices and control and monitor the distribution of different products and services from multiple service providers.

The system is fully automated which allows the end consumers to automatically obtain their reloads (or other applicable products) without having to interact with another system thereby eliminating any unnecessary steps that would otherwise inconvenience the end customers.

Central to the Group's technology platform are the various distribution channels and devices through which the Group can provide its products and services. The distribution devices are the points of sale where the products and services are sold and/or delivered electronically to the end consumers. The channels currently available to the Group are as follows:

**Retail:** These are retail outlets such as convenience stores, petrol stations and restaurants selling products and services either through full service EDC terminals or via self service kiosks. Typically, this channel is targeted at the general consumer market. Partners include Petronas, Shell and BH Petrol.

**Banks:** This channel focuses on ATMs and Internet banking and is again focussed on the general consumer market and the banks' customers. The Group has entered into agreements with several banks as described below.

MLM companies: The MLM channel taps into the membership base of MLM companies, and presently is working with e-Cosway to distribute products and services via SMS using the Group's technology platform. The Group is exploring possible tie-ups with other MLM companies. The role and function of MLM members is similar to mobile retail points as they sell the products to their customers.

The banks and MLM companies operate on the TMS business model and the retailers provide revenues through the electronic products and services model as described below.

The primary distribution devices used by the Group are as follows:

EDC terminals: These are the primary sources of revenue for the Group at the date of this document and are marketed under two brands:

- onepoint™: A customised credit card or cash terminal operated by the retailer which has been customised to work with the Group's technology platform; and
- Mr Kiosk: A self-service terminal which accepts debit cards operated directly by the end user to carry out transactions for products and services using the Group's technology platform;

ATM: A bank's ATM which has been enhanced to cater for additional products and services offered by the Group's technology platform;

Internet: The ability to transact on a bank's internet portal using the Group's technology platform; and

Mobile phones: Mobile phones which can transact on the Group's technology platform via SMS.

Through the multiple distribution devices described above, the Group is currently providing a variety of products and services as follows:

- Prepaid airtime for mobile phone reloads;
- Prepaid airtime for international and local calls;
- Prepaid Internet usage reloads;
- Prepaid mobile phone user registration;
- Electronic ticketing for buses and events; and
- Prepaid online gaming reloads.

The Group generates income from these products and services through three separate business models, namely electronic products and services, TMS, and Solution Sales and Consultancy described below.

#### *Electronic Products and Services ("onepoint™" and "Mr Kiosk")*

The Group generates revenues from products and services in different ways depending on the product or service in question. Mobile phone reloads, IDD and Internet reloads all earn revenues by way of commission per transaction. By contrast, prepaid mobile phone user registration, ticketing and prepaid online gaming reloads generate revenues on a fee per transaction basis without additional commission.

The products and services that are delivered through the Group's technology platform are sourced from various service providers and are intangible in nature. Presently, the Group's mobile prepaid reloads cover all the major MNOs operating in Malaysia, namely Maxis, Celcom and DiGi, while its IDD/STD and Internet prepaid reloads represent all major IDD/STD and Internet service providers in Malaysia, such as Digi Chatz, Timekontakt, Nasioncall, iTalk, Ring Ring, TMNet and Jaring. The Group has also developed integrated ticketing solutions with Sepang International Circuit (to sell Sepang Formula 1™ tickets) and Plusliner Sdn. Bhd. (to sell bus tickets).

In addition to the micro-payment recharge options already available, the Group is working to provide Touch'n Go reload points (akin to Oyster cards in the UK) and bill payment via its terminals.

#### *TMS (Internet Banking, ATMs and SMS)*

With a number of corporations outsourcing non-core businesses, the Group has taken the opportunity to provide its technology platform to certain service providers. The Group can offer other companies a method of expanding product offerings to their customers and thereby providing value added services. The Group is able to offer the range of products and services currently available on its technology platform which saves companies time and resources otherwise required to establish links with products and services providers. Revenues are generated for the Group through commission on product sales.

The Group has signed agreements with a total of five banks in Malaysia, namely CIMB, RHB, Citibank, AmBank and Alliance, pursuant to which the Group and each of the banks will explore the possibility of offering products and services via the Group's technology platform to certain of the banks' customers. The Group has already commenced operations with two of these banks, namely CIMB and RHB. The Group is also working with e-Cosway to provide products to be sold to end consumers through its MLM members.

#### *Solution Sales and Consultancy*

This area of the business is related to the Group's expansion plans both in Malaysia and overseas whereby the Group may licence the technology platform to interested parties that want to operate the platform themselves. Furthermore the Group is able to offer the MoCS™ and ABOSSÉ™ solutions separately or as a package.

The Group intends to market its Solution Sales and Consultancy business in one or more of the following three ways:

- (a) Technology licensing - licensing the Group's technology platform either wholly or in part;
- (b) Business partnerships - forming joint ventures to penetrate new markets; and
- (c) Strategic technology partnerships - partnering with technological companies that have complementary technologies.

Revenues are expected to be generated through licensing fees and the provision of system training and professional services and the possibility of annual maintenance and support charges.

### **Technology and R&D**

The Group's core competencies are derived from its experience in network infrastructure implementation and real time e-commerce transaction handling. In line with the Group's future expansion plans, the Group is further developing its technology platform to accommodate more service providers. At present the Group's principal technologies are MoCS™ and ABOSSÉ™.

#### *MoCS™*

MoCS™ is a generic platform designed and developed to allow external systems to seamlessly and easily integrate into their existing business and technological environment. This generic platform is built based on an available open architecture concept.

One of the key strengths of MoCS™ is its flexibility to interface with various devices via a common interface.

Another key strength of MoCS™ is its flexibility to interact with a variety of product suppliers. In this respect, MoCS™ has been developed so that integration of new products is independent of the core engine and, as a result, incorporating new service providers is simplified.

The payment interfaces are likewise isolated and configured as an extension to the core engine. With this, new payment methods can be easily accommodated. The networking connectivity utilises the ABOSSSE™ solution.

A feature of the platform is the online real-time engine that can provide sub-second responses to transactions from any input channel. To handle higher volumes, this transaction engine can be placed on multiple servers to balance the transactions. This engine is in operation 24 hours a day and 7 days a week.

The Group's technology platform also incorporates an integrated billing engine which is able to determine the payout to each counterparty involved in any transactions over the e-channel. This flexible billing component is able to bill according to categories and structures, such as payment percentage, payment interval and segmented payment tiers.

Finally, MoCS™ has an in-built customer relation component that helps track reported incidents and issues as well as turn around time for resolving any outstanding issues.

*ABOSSSE™*

Most network equipment and network elements have proprietary interfaces and protocols. Interconnection between these disparate network elements is very time consuming and costly. ABOSSSE™ solution is able to communicate over various network layers and protocols to provide a generic networking layer that complements MoCS™. Continuous development of the ABOSSSE™ solution will be required as new protocol requirements enter the market.

By being able to communicate through multiple protocols, the ABOSSSE™ solution can communicate with various devices via, amongst others, TCP/IP, SDLC and HTTP. The solution has protocol adapters which allow new protocols to be added to increase the number of supported protocols. Additionally, the ABOSSSE™ solution is able to handle high loads of requests and responses via its platform. In the event that one ABOSSSE™ solution node fails, a request would automatically be routed to another operational node.

**Competition**

As the Group is actively involved in the provision of virtual prepaid reload, the D&B Report has identified the following companies in Malaysia as the Group's key competitors:

<i>Player</i>	<i>Principal Activities</i>
e-pay (M) Sdn Bhd	An electronic prepaid solutions provider for mobile airtime, offering a full range of prepaid products that includes all mobile major airtime IDD calling voucher, internet and pay TV.
Mobile88.com Sdn Bhd	Provision of e-commerce services through its flagship website www.mobile88.com. Its main revenue stream focuses on the sale of telecommunication related products, Internet access prepaid reloads, magazine subscriptions and online game subscriptions.
MoL Accessportal Bhd	Specialises in Internet media and e-commerce, utilising Internet-connected physical outlets as e-distribution and e-payment centres and the provision of e-Solution services.

According to the D&B Report the major differences between the business models and competitive advantages that the Group holds over its competitors in Malaysia are as follows:

<b>Description</b>	<b>MobilityOne Group</b>	<b>e-Pay (M) Sdn Bhd</b>	<b>Mobile88.com Sdn Bhd</b>	<b>MOL Accessportal Bhd</b>
Physical and online presence	Ability to provide products and services catering to customers at physical retail points (EDC terminals and self-service kiosks) as well as online, SMS and the ATM, to cater for a larger customer market.	Physical retail points (EDC terminals), Internet banking with Bank Islam Malaysia Berhad and ATM via MEPS (currently Bank Pertanian Malaysia and Affin Bank Berhad only).	Online only.	Online and physical (limited to mainly cybercafés).
Integrated payment	Payment acceptance via multiple means (by cash, debit card or credit card) at physical retail points (EDC terminals and self-service kiosks).	None.	None.	None.
Integrated product fulfilment	Integrated to product suppliers/providers for automated product fulfilment for better end user experience.	None.	None.	None.
Provision of platform to external parties i.e. TMS	<ul style="list-style-type: none"> <li>– RHB, CIMB and e-Cosway use the Group’s TMS for technology integration to bank host and connectivity to service providers.</li> <li>– Celcom uses the Group’s TMS for technology integration to their prepaid system, dealer management system and credit management system to their physical coupon distributors.</li> </ul>	Provides prepaid reload connectivity to Bank Islam Malaysia Berhad and MEPS (currently Bank Pertanian Malaysia and Affin Bank Berhad only).	Not available. IP and technology used for internal service only.	Not available. IP and technology used for internal service only.
Solution sales and consultancy	Licensing of solution to interested parties. Platform available for licensing model.	Not available. IP and technology used for internal service only and it licenses its IP from e-pay (UK), a subsidiary of Euronet Worldwide, Inc.	Not available. IP and technology used for internal service only.	Not available. IP and technology used for internal service only.

*(Source: D&B Report)*

## **Operations**

The Group’s head office is located in Kuala Lumpur, Malaysia and houses the operations and marketing and is owned by the Group. The Group has a rented office in Technology Park Malaysia, Kuala Lumpur, Malaysia which houses the Group’s R&D centre.

The Group sources its products such as the mobile prepaid and IDD/STD reloads directly from the MNOs or product suppliers. Some of the products require the Group to make payment in advance and some are obtained on a per sale basis.

The sales of the Group are contributed collectively from the retail points, large based organisation (MLM's) and banks. The retail points are acquired through the Group's internal sales force as well as third party agents.

Currently, the Group's retail points consist mainly of major petrol stations, convenience stores and restaurants to capture the general consumer market. The Group's terminals, which carry all the Group's products and services, are installed at these retail outlets. The terminals installed at the retail points consist of merchant operated (onepoint™) and self-service models (Mr Kiosk) incorporated with various payment methods (i.e. cash, credit card and debit card) and the terminals are either owned or leased by the Group. The Group subscribes to the services of an agent to service and support the terminals and the Group provides its merchants with the terminals free of set up charges. The merchants may be required to pay for the rental of terminals depending on the volume of transactions.

The Group provides a real-time transaction infrastructure which involves real-time direct communication between the product suppliers and end consumers. All of the transactions are monitored by a real-time web based monitoring tool which provides a comprehensive level of abstraction including the stages and progress of each transaction. Being web-based, this information can be retrieved by the Group or its customers from any web-enabled device. The Group also provides trained helpdesk professional support (which has access to the same information) to handle issues and concerns, available seven days a week.

### Trading record and commentary

The consolidated income statement of MobilityOne Malaysia for the financial period ended ("FPE") 31 March 2004, financial year ended 31 March ("FYE") 2005, FYE 2006 and the 9-month period ended 31 December ("9mPE") 2006 is set out below and full details are set out in Part IV of this document:

	<i>FPE 2004*</i>	<i>FYE 2005*</i>	<i>FYE 2006</i>	<i>9mPE 2006</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	–	5,439	9,791	8,597
Cost of sales	–	(4,709)	(8,479)	(7,267)
Gross profit	–	730	1,312	1,330
Other operating income	–	–	–	22
Administrative expenses	(4)	(480)	(456)	(520)
Distribution costs	–	–	(442)	(306)
Operating (loss)/profit	(4)	250	414	526
Finance costs	–	–	(21)	(52)
(Loss)/Profit before taxation	(4)	250	393	474
Taxation	–	–	(2)	(32)
Net (loss)/profit for the FP/FY	(4)	250	391	442

\*The financial statements of Netoss were not consolidated into MobilityOne Malaysia's financial statements for FYE 2004 and FYE 2005 as Netoss was acquired on 20 April 2005.

Substantial growth in turnover from FYE 2006 onwards reflects an upgrading of initial applications which enable the Group's technology platform to facilitate higher transaction volumes and carry more products and services. Approximately 90 per cent. of the yearly/period revenue was generated from recurring electronic products and services and TMS. The Group's turnover has grown significantly since FYE 2005 from £5.4 million to £9.8 million and to £8.6 million for 9mPE 2006, representing a compound annualised growth rate of approximately 45 per cent.

The breakdown of the turnover of the Group by activities for FYE 2005, FYE 2006 and 9mPE 2006 is as follows:

	FYE 2005		FYE 2006		9mPE 2006	
	£'000	%	£'000	%	£'000	%
Electronic Products and Services	4,617	85	8,028	82	6,751	79
TMS	579	11	1,144	12	956	11
Solution Sales and Consultancy	243	4	619	6	890	10
<b>Total Turnover</b>	<b>5,439</b>	<b>100</b>	<b>9,791</b>	<b>100</b>	<b>8,597</b>	<b>100</b>

The turnover from electronic products and services remains the main contributor to the Group's turnover for the last three financial periods from FYE 2005 to 9mPE 2006, whilst turnover for TMS is consistent, contributing between 11 per cent. and 12 per cent. of the total turnover. The sales mix of solution sales and consultancy has increased from 4 per cent. to 10 per cent. from FYE 2005 to 9mPE 2006 with the marked increase attributed to the increase in number of projects commencing in 2006.

Average number of terminals for FYE 2005, FYE 2006 and 9mPE 2006 are as follow:

	FYE 2005	FYE2006	9mPE 2006
Average number of EDC terminals (units)	1,308	1,426	2,159
Number of transactions ('000)	759	2,663	4,253

The terminals comprise both full service and self-service terminals (in total the Group currently has more than 3,000 terminals) which are connected to its technology platform. The growth in the number of terminals is driven by an aggressive marketing strategy conducted by the Group and increasing awareness of the public of the services it can provide. Fluctuations seen in terminal use appear to be due to customer behaviour and seasonal factors.

### Current trading and prospects

During the quarter ending 31 March 2007 MobilityOne Malaysia had unaudited revenues of £3.6 million with profits before tax of £180,000. This compares to revenues of £2.8 million with profits before tax of £129,000 for the equivalent period in 2006 representing an increase of 28.6 per cent. and 39.5 per cent. respectively.

The Directors are actively exploring the feasibility of providing its technology into other countries in the surrounding region to Malaysia.

### Strategy

The Group's strategy is built upon increasing its market share whilst continually diversifying its product offering supported by continually upgrading its technology through focused R&D. The key areas of strategy can be defined as follows:

- (a) *Continue to Increase the Number of Distribution Points:* Central to the Group's strategy following Admission is to continue to increase the number of distribution points available to consumers to the products and services offered through its technology platform. The potential to increase the number of distribution points will come from the collaboration with additional merchants, banks and MLM companies. In pursuing this strategy, the Group intends to target multi-store merchants to whom it can roll out multiple distribution points on one contract and it has recently signed agreements with 5 banks in Malaysia as described above;
- (b) *Regional Expansion:* The Group intends to market its technology platform throughout the surrounding region to Malaysia, in particular Indonesia, the Philippines, Cambodia, Brunei, Thailand, Bangladesh,

Vietnam and China. Any such expansion would be on a gradual basis and typically either by means of setting up a local sales office or establishing a joint venture with a local partner;

- (c) *Continuous R&D*: The Group intends to continue to allocate sufficient funds to continue the development and improvements of the Group's proprietary technology platform;
- (d) *Increase the Group's Products and Services Offering*: Equally important to the Group's strategy is the intention to increase the capability of its technology platform to support more products and services offered by third parties. By expanding the range of products and services available on the platform, the Group's technology platform will be able to capitalise on a larger target market as well as mitigating the risk of the volatility of a single market segment. The Group is focussing on the following new or expanded products and services, some of which the Directors hope to achieve through strategic partnerships:
- Bill payment (utilities and telecommunications);
  - Ticketing (transport and entertainment);
  - Reservations (hotels and the food and beverage industry);
  - Micro-payment recharges; and
  - Miscellaneous Prepaid Services (pay-TV and utilities).
- (e) *Develop New Distribution Channels*: The Group plans to expand on its available transactional channels. By researching new purchasing or delivery channels, the Group intends to tap into new market segments. Apart from increasing market reach, new delivery channels will be developed as new technology or devices are introduced into the market; and
- (f) *Target Organisations with Large Customer Bases*: The Group intends to continue to target organisations with large customer bases that have networks of members or participating merchants that are reluctant to commit high capital expenditure to delivering new technologies.

### **Directors and employees**

The Directors of the Company on Admission are as follows:

#### **Dato' Dr. Wan Azmi bin Ariffin**

*(Non-Executive Chairman)*

Dato' Dr. Wan Azmi bin Ariffin, aged 63, is the Non-Executive Chairman of the Company. He began his career as a teacher for secondary schools from 1965 to 1977 and later became a university lecturer from 1979 to 1981. Since then, he has been active in the Malaysian politics and is currently a member of Parliament of Malaysia. He obtained his Bachelor Degree in Geography from Universiti Sains Malaysia and a Master's Degree in Economic Development and a PhD in Political Economics from McGill University, Canada.

#### **Hussian @ Rizal bin A. Rahman**

*(Chief Executive Officer)*

Hussian @ Rizal bin A. Rahman, aged 45, is the Chief Executive Officer of the Group. He has extensive experience in the IT and telecommunications industries in Malaysia and is responsible for the development of the Group's overall management, particularly in setting the Group's business direction and strategies. He obtained a certified Master of Business Administration from the Oxford Association of Management, England.

**Derrick Chia Kah Wai**

*(Chief Technology Officer)*

Derrick Chia Kah Wai, aged 36, is the Chief Technology Officer of the Group. He began his career as a programmer in 1994, he then joined GHIL in January 1998 as a Software Engineer and was promoted to Software Development Manager in December 1999. He obtained his Bachelor Degree in Commerce, majoring in Management Information System from University of British Columbia, Canada. He joined the Group in May 2005 and is responsible for the Group's R&D team which include the architectural design of its technology platform.

**Seah Boon Chin**

*(Corporate Finance Director)*

Seah Boon Chin, aged 35, is the Corporate Finance Director of the Group. He began his career as a senior officer with Chung Khiaw Bank (Malaysia) Bhd (now United Overseas Bank (Malaysia) Berhad) from 1995 to 1996. From 1997 to January 2007, he worked in the Corporate Finance Department of established financial institutions in Malaysia and Singapore including CIMB Investment Bank Berhad, Affin Investment Bank Berhad and Public Investment Bank Berhad. He obtained his Bachelors Degree in Commerce (Honours) with Distinction from McMaster University, Canada. He joined the Group in January 2007 and is responsible for the Group's corporate finance activities.

**Dato' Shamsir bin Omar**

*(Non-Executive Director)*

Dato' Shamsir bin Omar, aged 73, is a Non-Executive Director of the Company. He commenced his career with the Malaysian Government in August 1960 as the Auditor and Accountant in the Department of Cooperative Development. In 1966, he was appointed as the Chief Accountant in the Ministry of Education, Malaysia. In 1967, he was promoted to the position of Deputy Accountant General in the Ministry of Finance, Malaysia. In 1968, he became the Accountant General, Malaysia, a post he held for 22 years until his retirement in July 1989. After retirement from government service in 1989, he joined Shamsir Jasani Grant Thornton, Malaysia. He has been the accounting firm's Chairman since then. He is a fellow member of the Institute of Chartered Accountants in Australia.

**Kjetil Langland Bohn**

*(Non-Executive Director)*

Kjetil Langland Bohn, aged 37, graduated from the Norwegian Business School in Bergen and began his career as a journalist with Hegnar Media AS from 1996 to 2000. In July 2000 he founded Viva Technologies AS and acted as CEO until February 2004 when he founded Vyke AS. He has extensive experience within the mobile service industry and mobile VoIP in Europe and Asia. He is currently the CEO of AIM quoted Vyke Communications plc.

Key employees of the Group include:

**Wan Azmawi bin Dato' Wan Azmi**

*(Assistant General Manager of Business Development)*

Wan Azmawi bin Dato' Wan Azmi, aged 37, is currently the Assistant General Manager for Business Development. His begin his career with AMC Manufacturing (M) Sdn. Bhd. as an Industrial Relation Officer in 1995. After one year, he joined Onkyo Electric (Malaysia) Sdn. Bhd. as a HR & Training Officer until 2001. In 2003 until 2004, he worked as a Management Consultant in Alam Management Consultant. He obtained his Diploma in Business Management from Institute Technology Tun Abdul Razak, Malaysia and his Master's Degree of Commerce in Human Resource Management from University of Western Sydney, Australia. He joined the Group in August 2005 and is responsible for the business development of the Group.

### **Goh Boon Ui**

*(Assistant General Manager of Finance Department)*

Goh Boon Ui, aged 31, is currently the Assistant General Manager of Finance Department. She began her career in auditing with T Y & Associate in 2000 and later joined KYM Holding Berhad in 2002 as its Group Internal Audit Executive and was involved in operation audit. In 2003, she joined GHL as Assistant Accountant and involved in all financial matters. She was re-designated as Accountant in 2004 and handling all corporate exercises and financial matters of GHL. She is a member of Malaysian Institute of Accountants. She joined the Group in January 2005 and is responsible for the Group's overall finance matters.

### **Loh Ai Chern**

*(Assistant General Manager of Operation Department)*

Loh Ai Chern, aged 33, is currently the Assistant General Manager of Operation Department. She began her career with Arab-Malaysian Corporation Berhad as a Legal Assistant in 1999 until 2001. She was responsible of assisting the group's legal department in managing among others legal documents and internal due diligence. She then joined GHL from 2001 to 2004 as a Business Development Executive where she contributed to the business development and the operations of the mobile prepaid business. She then joined Cassis International Sdn. Bhd. from 2004 to 2005 as an Assistant Manager of Business Development responsible for developing the chip card business among banks locally. She obtained her Bachelor of Law (LLB) from University of London and later obtained the Certification of Legal Practice at Kemayan ATC, Malaysia. She joined the Group in April 2005 and is responsible for the overall operation of the Group.

### **Chin Kee Haw**

*(Software Development Manager)*

Chin Kee Haw, aged 34, is currently the Software Development Manager of the Group. He began his career with United Chinese School Committees Association of Malaysia ("UCSCAM") (Dong Zong) in 1997 and was promoted to senior programmer in 1998, whereby he was responsible for the system development for UCSCAM. From 1999 to 2001, he was a senior software engineer with GHL. Prior to joining the Group in June 2005, he was a project leader in developing systems and support services for Qinetics Solutions Berhad. He obtained his Bachelor Degree in Science from Tunku Abdul Rahman College, Malaysia. He is responsible for the R&D of the Group's solutions.

### **Yee Kee Sin**

*(Software Development Manager)*

Yee Kee Sin, aged 29, is currently the Software Development Manager of the Group. He began his career in 2001 as a Senior Software Engineer with GHL and was responsible for design and development of a loyalty program system. He moved to Redtone Telecommunications Sdn. Bhd. in 2005 as Software R&D Engineer. He obtained his Bachelor Degree in Science from Tunku Abdul Rahman College, Malaysia. He joined the Group in June 2005 and is responsible for the R&D of the Group's solutions.

### **Sim Hui-Leen**

*(Corporate Finance Manager)*

Sim Hui-Leen, aged 29, is currently the Corporate Finance Manager of the Group. She began her career with Folks Corporate Services and Ferrier Hodgson from 2002 to 2004, specialising in corporate recovery and restructuring. Subsequently, she joined the Corporate Finance Department of Public Investment Bank Berhad from 2004 to 2007 and has undertaken various advisory work including initial public offerings, valuation, mergers and acquisitions. She obtained her Bachelor of Business majoring in Economics and Finance from RMIT University, Australia. She joined the Group in February 2007 and is responsible for the Group's corporate finance activities.

### **Employees**

As at 1 May 2007, the Group had a total of 81 employees, all of whom were based in Malaysia.

### **Details of the Placing**

The Company is issuing 12,300,000 Placing Shares at 12.5 pence per Share pursuant to the Placing to raise approximately £1.537 million before expenses. The Placing is conditional *inter alia* on Admission. The Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares of the Company. Further details of the Placing Agreement are set out in paragraph 7.2 of Part VI of this document.

Admission is expected to take place and dealings in the Ordinary Shares on AIM are expected to commence on 4 July 2007.

### **Use of proceeds**

The Placing will provide additional funds for the Group's overseas expansion, continued roll out of terminals and R&D expenditures. In addition, the placing proceeds will pay the costs of the AIM Admission and provide working capital for the Group. In summary, the Company intends to apply the proceeds of the placing as follows:

Overseas expansion	£300,000
Working capital and capital expenditure	£657,500
Research and Development	£200,000
Admission Expenses	£380,000

### **Reasons for Admission**

In addition to raising funds for the purposes shown above, the Company is seeking Admission to AIM in order to take advantage of that market's higher profile, wider investor base, greater liquidity and better access to institutional investors.

### **Lock-in arrangements**

Pursuant to the AIM Rules, the Directors and existing Shareholders of the Company are not subject to any lock-in for their shareholdings in the Company as the Group has been independent and earning revenue for more than two years. However, the Directors, who collectively will hold 39.4 per cent. of the Enlarged Share Capital, have agreed to enter into lock-in arrangements pursuant to the Placing Agreement under the terms of which they have agreed not to dispose of their respective Ordinary Shares for a period of 12 months from Admission without the prior written consent of HB Corporate and thereafter for a period of 12 months to effect a sale only through HB Corporate or any other broker to the Company from time to time in such orderly manner as the broker to the Company for the time being may require with a view to maintaining an orderly market in the Ordinary Shares.

Through a separate lock-in agreement, Thornbeam has agreed to the same arrangements as set out above in respect of 85 per cent. of its Ordinary Shares, which represents 14.52 per cent. of the Enlarged Share Capital.

### **Share option arrangement**

In order to assist in the recruitment, retention and motivation of high quality Directors and employees, the Board has approved and adopted the Share Option Plan. Following Admission, employees (including the Executive Directors) of the Group will hold options over 8,000,000 Shares under the Share Option Plan. Further details of the Share Option Plan are set out in paragraph 11 of Part VI of this document. Under the Share Option Plan, the Company may grant options over up to ten per cent. of its issued share capital from time to time.

The Company has agreed, conditional on Admission, to grant HB Corporate the option to subscribe for such number of Shares at the Placing Price as shall equal 1.5 per cent. of the Enlarged Share Capital of the Company on Admission for a period of five years from Admission. Further details are set out in paragraph 2.9 of Part VI of this document.

## **Dividend policy**

The Company has not declared or paid any dividend since its incorporation. However, the Directors intend to commence the payment of dividends when it becomes commercially prudent to do so, having regard to the Company's distributable profits and the retention of funds required to finance future growth.

## **Taxation**

The Company is a Jersey incorporated company with exempt company status. It is the intention of the Directors to ensure that the Company continues to meet the conditions for exempt company status and to conduct its affairs in such a manner that it is not regarded as tax resident in any jurisdiction. However, the tax position of the Company will be reviewed from time to time and it is possible that the Company could in the future become resident for the purposes of taxation in Jersey or another jurisdiction. Your attention is drawn to the taxation information set out in paragraph 14 of Part VI of this document.

## **Corporate governance and internal controls**

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. As the Company grows, the Directors intend that it should develop policies and procedures which reflect the Principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code"). The Directors intend to comply with the main principles of the Combined Code wherever practicable.

The Directors have established an audit committee and a remuneration committee made up of Dato' Dr. Wan Azmi bin Ariffin and Dato' Shamsir Bin Omar and both committees will be chaired by Dato' Shamsir Bin Omar.

The audit committee will receive and review reports from the management and auditors relating to the interim and annual accounts and to the system of internal financial control. The remuneration committee will determine the terms and conditions of service of the executive Directors.

The Company will take all proper and reasonable steps to ensure compliance by the Directors and relevant employees of AIM Rule 21 regarding dealings in the Company's securities.

## **CREST**

The articles of association of the Company permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in the CREST system if the relevant Shareholders wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain certificates will be able to do so.

## **The City Code on Takeovers and Mergers**

Although the Company is incorporated in Jersey, the place of central management of the Company is currently located outside the UK, the Channel Islands or the Isle of Man since the main place of business is in Malaysia. The majority of Board meetings are held outside the UK, the Channel Islands and the Isle of Man and the majority of the Board are resident outside the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is one to which paragraph 3(a)(ii) of the Introduction to the Takeover Code applies, the Panel has confirmed the Company is not subject to the Takeover Code and Shareholders will not be afforded any protections under the Code.

However, certain provisions analogous to parts of the Code have been incorporated into the Articles as further set out in paragraph 6 of Part VI.

If circumstances change, including if changes to the Board are made, the Company will consult with the Panel to ascertain whether this will affect the central place of management of the Company. If the Panel determines that, as a result of such changes, the place of central management of the Company is located in

the UK, the Channel Islands or the Isle of Man such that the Takeover Code then becomes applicable to the Company, an announcement will be made.

**Further information**

**Your attention is drawn to Part II of this document which contains certain risk factors relating to an investment in the Company and to Parts III to VI of this document which contain further additional information on the Group.**

## **PART II**

### **RISK FACTORS**

The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not officially listed. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor being, in the case of persons resident in the United Kingdom, a person authorised under the FSMA, who specialises in advising on the acquisition of shares and securities. It is emphasised that the risk factors set out are not exhaustive and that other risk factors may apply.

Investors should be aware of various risk factors when making an investment in the Company. The market price of shares and the dividends paid by companies may fall as well as rise. It is recommended that potential investors read this entire document to help them assess the risks of investing in the Company. Returns on an investment will depend on stock market conditions as well as the performance of the Group. There are a number of risk factors that may have an adverse impact on the operating and financial performance of the Group. There are also general risks associated with any investment in shares. Investors should also consider their personal circumstances including financial and taxation issues and seek appropriate professional advice before deciding whether to invest. Such risk factors include, but are not limited to, the following:

#### **Forward-looking statements**

Other than statements of historical facts, this document also contains forward-looking statements that are based on assumptions that are subject to uncertainties and contingencies. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will prove to be correct. These forward looking statements are correct, to the best of the knowledge and belief of the Directors, only as at the date of this document. Any difference in the Group's expectations from actual eventualities may affect the Group's anticipated financial and business performance and plans. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstance or unanticipated events occurring after the date of this document except as required by applicable law or by any applicable regulatory authority.

#### **Dependence on key executives and personnel**

The growing success of the Group to date is attributed to the foresight and leadership of its Directors and senior management team. Additionally, key to its continued success are the Group's R&D and technical teams providing technology development and support to the Group. The Group's ability to attract and retain its key management and technical personnel, especially qualified and experienced professionals, are crucial to maintaining its competitive edge and ensure the continual success of the Group. Therefore, any loss of these personnel could have an initial adverse impact on the operations and future expansion of the Group.

With the above in mind, the Directors of the Company actively promotes human resource development and career advancement plans which include a systematic career progression plan and investing in on-going programs to train and equip employees with the latest knowledge and skills.

#### **Operational risks**

The Group is not insulated from general business risk as well as certain risks inherent in the mobile prepaid industry in which the Group operates. This may include a shortage in skilled workforce, increases in salary costs, technological changes, unfavourable changes in Government and international policies, the introduction of new and superior technology or products and services by competitors and changes in the general economic, business and credit conditions.

Any adverse development in the political situations and economic uncertainties in Malaysia and/or other countries which the Group has business links, directly or indirectly, could materially and adversely affect the financial performance of the Group. These include risks of war, global economic downturn, expropriation, nationalisation, unfavourable change in government policy and regulations such as foreign exchange rates and methods of taxation and currency exchange controls. There can be no assurance that any change to these factors will not have a material adverse effect on the Group's business.

Although the Group seeks to limit these business risks through, *inter alia*, prudent management policies, constant upgrading on latest technology advancements in prepaid disbursement, e-commerce, telecommunication and networking technologies, maintaining good business relationships with its customers and principals, diversification of product and service offerings, having a large pool of suppliers, expansion of its customer base, careful contractual terms, close project supervision and planning, and effective human resource management, no assurance can be given that any change in any of these factors will not have a material adverse effect on the Group's business.

### **Dependency on Distributorships Agreements**

The Group relies on various telecommunication companies to provide the telecommunication products. Hence the Group's business may be materially and adversely affected if one or more of these telecommunication companies cut or reduce drastically the supply of their products. The Group has distributorship agreements with telecommunication companies such as DiGi, Celcom, TM, Maxis and Redtone, which are subject to periodic renewal. The Group will be unable to continue to develop or provide the telecommunication products should these agreements be terminated.

In view of the above, the Directors of the Company take a proactive approach in developing long term business relationships with various telecommunication companies. The Group has also embarked to be engaged as a technology provider which would differentiate and value-add to the Group's image. Some of the developments are:

- provisioning of virtual recharge for Celcom physical card distributors;
- provisioning of virtual recharge of all mobile prepaid products over the ATM for MEPS; and
- provisioning of virtual recharge of all mobile prepaid products over the Online Banking portal for banks such as RHB and CIMB.

### **Dependency on Telecommunication Infrastructures**

The Group is partially dependent on the infrastructures of telecommunication companies as the Group's mobile commerce services utilises telecommunication infrastructures to deliver the Group's products and services to consumers. For example, the SMS gateway may experience a variety of outages and delays as a result of damage to portions of its infrastructure. These outages and delays could frustrate customers or partners using the Group's products and services, which could directly affect the revenue of the Group. Hence, the Group has been actively studying and implementing other methods of serving its customers better to reduce the risk of dependency on, and limitation of one telecommunication infrastructure. These efforts include downloading of virtual prepaid in batch form into terminals, developing an enhanced communication layer to reduce call charges for EDC terminal calls and research into other telecommunication mediums.

### **Rapid technological changes/product changes in the e-commerce industry**

The ability to keep pace with rapid technological development in the e-commerce industry will affect the Group's revenues and profits. The e-commerce industry is characterised by rapid technological changes due to changing market trends, evolving industry standards, new technologies and emerging competition. Future success will be dependent upon the Group's ability to enhance its existing technology solutions and introduce new products and services to respond to the constantly changing technological environment.

The timely development of new and enhanced services or products is a complex and uncertain process. Although the Group believes that it has sufficient knowledge and skills to implement its business plan, it is

unable to provide assurance that the Group will continue to have sufficient resources to successfully manage long development cycles. The Group may also experience design, marketing and other difficulties that could delay or prevent the development, introduction and marketing of its new or enhanced products and services.

The Group is actively engaged in R&D activities to enhance its products and services offering and also to adapt its platform to new advancements in e-commerce technologies. However, the Group cannot assure that such activities will enable it to develop new products and services to enhance its existing products on a timely and cost effective basis, or if its new products and services fail to achieve market acceptance, or if one or more of its competitors introduce products and services that better address customers' needs, the Group's business, operating results and financial condition would be affected.

### **Demand of products and services**

The Group's future results depend on the overall demand for its products and services. Any economic slowdown may cause its distributors to defer or terminate purchases its products and services as the end user may alter their usage pattern. Uncertainty in the economic environment may cause some business to curtail or eliminate spending on payment technology. In addition, the Group may experience hesitancy on the part of existing and potential customers to commit to continuing with its new services.

To date, the Group's products and services have been well received by its customers and the Group expect that enhancement and improvement of its products and services features, quick time to market and good technical knowledge should ensure continuing acceptance of its products and services.

### **Intellectual property**

The Group has intellectual property rights over its software and platform, in which protection is accorded by copyright law and common law, including the Copyright Act, 1987 of Malaysia. The Group has applied for the copyright on MoCS™ and ABOSSÉ™ and also the trademark registration of the MoCS™ and ABOSSÉ™ brand name in Malaysia which the Group has relied on to establish its brand name. Moving forward, the Group may apply for the trademark registration of MoCS™ and ABOSSÉ™ in countries which the Group venture into.

The Group cannot assure that it will be able to protect its intellectual property rights under the existing laws against unauthorised third party copying, use or exploitation, any of which could have an effect on its business, operating results and financial condition. However, the risk of intellectual property rights infringement is substantially reduced in view that the software is mostly customised software, which is tailored to the specific needs of the Group's customers.

### **Security risks and system disruptions**

The Group is operating in a high technology environment where its operations are susceptible to various security risks in the form of computer viruses, fraudulent transactions and hacking. The Group in response to these threats has set up firewalls, strict user access control, employs fraud detection checks in the system and has taken all other necessary steps to minimise the risk of any potential security breaches. As at the date of this document, the Group has not experienced any disruption to its operating systems arising from security breaches. However, there can be no assurance that the existing security measures are adequate to counter any potential future securities breaches that may materially affect the operations and performance of the Group.

### **Emergency risks**

The Group's daily operations may be affected by events of emergency such as explosion, fire, disruption of electricity, flooding, energy crisis, sabotage, civil commotion, war or acts of God. In ensuring such risks are maintained to the minimum, the Group has implemented a disaster discovery plan such as backup storage. Any duplicate copy of critical applications and data will be kept at a confidential location or separate location from the R&D site. Any simulation test on the data and critical applications restoration will be carried out on a pre-scheduled basis to ensure that the back up date is validated and useable. In future, the Group would also be replicating the infrastructure to a backup site for high availability assurance. However, there can be

no assurance that the disaster recovery plan will be able to prevent the loss of any critical data or system disruptions will not occur which may materially affect the Group's business.

### **Insurance coverage**

The Directors believe that the Group's assets, property and equipment are adequately insured against unforeseen events such as fire, consequential loss, loss of money, public liability, burglary and personal accidents.

The Group has taken the necessary measures to ensure that its assets are adequately covered by insurance. However, there can be no assurance that the insurance coverage would be adequate for the replacement cost of all assets of the Group, including but not limited to any consequential costs arising thereof. In addition, the Group has a disaster recovery plan by keeping its critical software codes and documentation in different locations.

However, the Group is aware of the consequences arising from inadequate insurance coverage that could have an adverse impact on its business operations. In ensuring such risks are maintained, the Group regularly review and ensure adequate insurance coverage for its assets.

### **Synergistic investment activities**

The Group may from time to time invest in businesses that are synergistic to its business. There is a potential risk that these investments may have longer than expected gestation period or may not be entirely successful. In this event, the Group may take time to recover or be unable to recover its initial investments. The Group seek to limit these risks through, inter-alia, a careful selection of investment and by practicing prudent financial policy.

### **Dependent on particular products, markets or geographical locations**

Currently, the Group's major contribution is from the provision of e-commerce infrastructure solution for mobile prepaid products and related services, and the Group's continued success is therefore very dependent on the continuous growth in the mobile telecommunication industry. The Group is able to mitigate the over dependence by diversifying its business geographically by licensing its technology platform to interested international companies and widen its services by providing the relevant solutions for other market activities and offer as a complete or partial technology managed services to any interested companies.

### **Foreign exchange fluctuations**

The Group's current revenue base is mainly generated from Malaysia. However, the Group is currently exploring opportunities to either enter into joint ventures or establishing offices in other countries such as Cambodia, Thailand, Indonesia, China and Brunei. In keeping with the Group's business model, the revenues are likely to be earned in the respective local currencies. As such, the revenue received and costs incurred will be denominated in the local currency the Group may be exposed to foreign exchange risk due to its regional expansion when the Group repatriates profits from other countries to Malaysia. As such, the Group may, as a mitigating factor, use various hedging techniques to mitigate this risk in the future. However, there is no assurance that any future significant fluctuation in exchange rates and financial crisis will not have an impact on its revenue and earnings

### **Competition**

The Group may face more competition from existing competitors and new entrants into the market in the future. Currently, there are various reload channels available in the market such as ATM, physical scratch cards, SMS and Internet reload. Hence, price competition is unavoidable. Therefore the profit margin earned from the prepaid services is relatively low. Consequently, the sale volume will need to be significant to ensure reasonable profits and the Group is always on the lookout to penetrate into new business prospect whenever the opportunity arises.

The Group has the distinct advantage of having forged alliances with major telecommunication companies and banks in Malaysia. However, this will not assure that it will be able to maintain its market share or to compete successfully against its existing and new competitors in the future. In view of the competition, the Group is constantly seeking ways to expand and enhance the range of products and services to meet the changing trend of demand. As the Group owns the intellectual property rights to the e-Channel platform (MoCS™ and ABOSS™ Solution), in addition to channel the prepaid and non-prepaid products and services from various service providers to end consumers through various disbursement channels via various types of disbursement devices, the Group is able to licence specific modules or the entire technology platform to interested local and international companies or provide a complete or partial technology managed services to them. In addition, the Group intend to sharpen its competitive edge by continually looking into and monitoring closely factors such as pricing, quality, distribution, branding, customer satisfaction and regional expansion.

### **Political, economic, regulatory and social conditions**

Like all other business entities, adverse developments in political, economic, regulatory and social conditions in Malaysia could materially affect the Group's financial and business prospects in view that the Group's current operations are mainly in Malaysia. Other political uncertainties that could unfavourably affect the Group include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation. Moving forward, the Group will also subject to the political, economic, regulatory and social condition of the countries it ventures into.

Whilst the Group strives to continue to take effective measures such as adopting prudent financial management and efficient operating procedures, it cannot assure that adverse political and economic factors will not materially affect the Group.

### **Future capital need which will require additional financing and fund raising**

Following Admission the Company may, at some stage in the future, need to raise additional capital to fund the ongoing development and expansion of the business. There can be no assurance that any additional funds needed will be available on favourable terms, or at all. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require that restriction are placed on the Group's future financing and operating activities.

### **City Code on Takeovers and Mergers**

Although the Company is incorporated in Jersey, the place of central management of the Company is currently located outside the UK, the Channel Islands or the Isle of Man since the main place of business is in Malaysia. The majority of Board meetings are held outside the UK, the Channel Islands and the Isle of Man and the majority of the Board are resident outside the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is one to which paragraph 3(a)(ii) of the Introduction to the Takeover Code applies, the Panel has confirmed the Company is not subject to the Takeover Code and Shareholders will not be afforded any protections under the Code.

However, certain provisions analogous to parts of the Code have been incorporated into the Articles as further set out in paragraph 6 of Part VI.

If circumstances change, including if changes to the Board are made, the Company will consult with the Panel to ascertain whether this will affect the central place of management of the Company. If the Panel determines that, as a result of such changes, the place of central management of the Company is located in the UK, the Channel Islands or the Isle of Man such that the Takeover Code then becomes applicable to the Company, an announcement will be made.

### **Banking facilities/personal guarantee**

The Group currently has banking facilities from AmBank (M) Berhad which comprise trade facilities for up to RM3.5 million, foreign exchange contracts facility for up to RM100,000 and term loan facility for up to

RM1.3 million. In addition, the same bank has provided a bank guarantee facility of RM300,000 favouring DiGi. The above facilities are for the Group's business expansion and to purchase a property for the Group's occupancy and they are secured by a charge and a personal guarantee from Hussian @ Rizal Bin A. Rahman. In the event the Group breaches any of the covenants provided for in the above facilities, or following an event which causes the personal guarantee to become invalid or ineffective the bank may have the right to withdraw the above facilities.

### **Taxation**

The attention of potential investors is drawn to paragraph 14 of Part VI headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during the life of the Company. The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. The information given in this document relates only to UK investors and investors in other jurisdictions must seek their own tax advice. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the assets held by the Company, affect the Company's ability to provide returns to shareholders and/or alter the post-tax returns to shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice, which are subject to change.

The Company is incorporated in Jersey and has been granted tax exempt status in this jurisdiction. The Directors intend to maintain this status. Should any tax authority challenge this status the Directors intend to defend the Company's tax position. However should that status be challenged successfully at any time the Company's profits and/or capital gains may be subject to taxation at a higher rate than is payable under its current status.

### **Other Areas of Risk**

- Prior to Admission there was no public market for the Company's shares and nor have they ever been traded, quoted or dealt on any securities market. Consequently, each prospective investor should view his purchase of the Ordinary Shares as a long-term investment and should not consider such purchase unless he is certain he will not have to liquidate his investment for an indefinite period of time.
- Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The Ordinary Shares will not be quoted on the official list of the UK Listing Authority. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the official list of the UK Listing Authority.
- The Company's total return and net assets can be significantly affected by currency movements.
- The market price of the Ordinary Shares may not reflect the underlying value of the assets of the Company.
- The market in the Ordinary Shares may be illiquid or subject to sudden or large fluctuations and it may be difficult for an investor to sell his Ordinary Shares and he may receive less than the amount originally invested.
- The Group's operations are subject to exchange rate fluctuations and exchange control regulations and may become subject to other similar restrictions which may adversely affect the Group's financial position and operating results.
- Market perception of the Company may change which could impact on the value of investors' holdings and on the ability of the Company to raise further funds by the issue of new shares in the Company.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

## PART III

### ACCOUNTANTS' REPORT ON THE COMPANY

29 June 2007

The Directors  
MobilityOne Limited  
Walker House  
28-34 Hill Street  
Jersey JE4 8PN  
Channel Islands

HB Corporate  
40 Marsh Wall  
London E14 9TP  
United Kingdom

Dear Sirs

#### **Accountants' report on the financial information of MobilityOne Limited for the period ended 31 March 2007**

We report on the financial information set out on page 36. This financial information has been prepared for inclusion in the AIM Admission Document dated 29 June 2007 of MobilityOne Limited on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

The Directors of the group are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

#### **Opinion**

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 29 June 2007, a true and fair view of the state of affairs of the Company as at the dates stated in accordance

with the basis of preparation set out in note 1 to the financial information and in accordance with the applicable financial reporting framework as described in the same note.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Tenon Audit Limited**  
Registered Auditor  
Nottingham

## Responsibility

The directors of the Company are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period.

## Balance sheet as at 31 March 2007

	31 March 2007
	£
<b>Current assets</b>	
Debtors – Called up share capital not paid	—
<b>Net assets</b>	—
<b>Capital and reserves</b>	
Paid up capital	—
Total equity (note 2)	—

## Notes to the financial information

### 1 Accounting policies

#### *Basis of preparation*

The financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee's interpretations ("IFRIC") (collectively, "IFRSs") issued by the International Accounting Standards Board ("IASB").

The Company was incorporated as MobilityOne Limited on 22 March 2007. Between the date of incorporation and 31 March 2007, the Company did not trade, nor did it receive any income, incur any expenses or pay any dividends. Consequently, no profit and loss account is presented.

### 2 Share capital

	31 March 2007
	£
<b>Authorised</b>	
200,000,000 shares of £0.05 each	10,000,000
<b>Allotted and called up</b>	
2 shares of £0.05 each	—

The Company was incorporated with authorised share capital of £10,000,000 divided into 200,000,000 ordinary shares of £0.05 each. On incorporation, 2 ordinary shares of £0.05 each were issued for cash at £0.05 per share.

### 3 Post balance sheet events

On 4 June 2007, pursuant to a special resolution of the shareholders of the Company ("Special Resolution"), the share capital of the Company was sub-divided from £10,000,000.00 divided into 200,000,000 ordinary shares of 5 pence each to £10,000,000.00 divided into 400,000,000 ordinary shares of 2.5 pence each.

Since the period end date the Company has entered into the following transaction:

Pursuant to the Share Swap Agreement dated 22 June 2007 the entire issued share capital of MobilityOne Malaysia was transferred to the Company by Hussian @ Rizal Bin A. Rahman, Lim Peng Kwee, Dato' Shamsir Bin Omar, Lim Lae Yong, Wong Ah Kau @ Wong Mun Sang, Wong Wai Choong, Cheah King Fui, Thornbeam, GHL and Always Wealthy Sdn Bhd, in consideration of the allotment and issue by the Company to each of them of 27,452,107, 5,670,777, 9,131,677, 7,305,341, 9,234,409, 1,369,751, 913,168, 16,048,922, 3,209,784, 1,301,264 Ordinary Shares respectively.

## PART IV

### ACCOUNTANTS' REPORT ON MOBILITYONE SDN BHD

29 June 2007

The Directors  
MobilityOne Limited  
Walker House  
28-34 Hill Street  
Jersey JE4 8PN  
Channel Islands

HB Corporate  
40 Marsh Wall  
London E14 9TP  
United Kingdom

Dear Sirs

**Accountants' report on the consolidated historical information of MobilityOne Sdn Bhd and its subsidiary ("the group") for the periods ending 31 March 2004, 31 March 2005, 31 March 2006 and 31 December 2006.**

We report on the financial information set out on pages 39 to 62. This financial information has been prepared for inclusion in the AIM Admission Document dated 29 June 2007 of the group on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

The Directors of the group are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board, as applicable for the relevant period. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

#### **Opinion**

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated [•], a true and fair view of the state of affairs of the group as at the dates stated and of its profits and losses, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation

set out in note 1 and in accordance with the applicable financial reporting framework as described in the same note.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Tenon Audit Limited**

Registered Auditor

Nottingham

## CONSOLIDATED BALANCE SHEETS

		<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>
		<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2006</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	–	501,814	1,083,393	940,148
Prepaid lease payment	3	–	–	177,705	162,967
Development costs	4	–	–	116,893	195,861
Other intangible assets	5	–	–	1,067,039	986,129
		–	501,814	2,445,030	2,285,105
<b>Current assets</b>					
Inventories	6	–	444,893	534,001	646,062
Trade receivables		–	17,148	35,108	726,172
Other receivables	7	–	36,076	261,487	139,805
Cash and bank balances		–	42,478	226,214	868,167
		–	540,595	1,056,810	2,380,206
<b>Total assets</b>		–	1,042,409	3,501,840	4,665,311
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade payables		–	192,078	172,776	384,991
Other payables	8	3,852	595,621	252,705	256,473
Amount owing to a director		–	–	–	144,625
Bank borrowings	9	–	–	–	500,865
Current taxation		–	–	–	–
		3,852	787,699	425,481	1,286,954
<b>Non-current liabilities</b>					
Redeemable cumulative convertible preference shares	11	–	–	312,982	289,250
Deferred tax	12	–	–	2,078	2,829
Bank borrowings	9	–	–	–	152,608
		–	–	315,060	444,687
<b>Total liabilities</b>		3,852	787,699	740,541	1,731,641
<b>Shareholders' equity</b>					
Share capital	10	–	13,934	2,017,021	2,017,021
Share premium account		–	–	62,596	5,657
Translation reserve		(21)	(4,899)	45,254	(167,354)
Retained (losses)/earnings		(3,831)	245,675	636,428	1,078,346
<b>Total shareholders' equity</b>		(3,852)	254,710	2,761,299	2,933,670
<b>Total shareholders' equity and liabilities</b>		–	1,042,409	3,501,840	4,665,311

**CONSOLIDATED INCOME STATEMENTS**  
**for the four periods ended 31 December 2006**

		<i>Period from</i> <i>23 December</i>			<i>9 months</i> <i>ended</i>
		<i>2002 to</i> <i>31 March</i> <i>2004</i>	<i>Year ended</i> <i>31 March</i> <i>2005</i>	<i>Year ended</i> <i>31 March</i> <i>2006</i>	<i>31 December</i> <i>2006</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Revenue</b>	13	–	5,438,637	9,791,136	8,597,494
Cost of sales		–	(4,709,077)	(8,479,270)	(7,267,468)
<b>Gross profit</b>		–	729,560	1,311,866	1,330,026
Other operating income	14	–	–	245	21,815
Administrative expenses		(3,831)	(480,054)	(456,072)	(519,699)
Distribution costs		–	–	(442,319)	(305,737)
<b>Operating (loss)/profit</b>		(3,831)	249,506	413,720	526,405
Finance costs	15	–	–	(20,985)	(52,454)
<b>(Loss)/profit before taxation</b>	16	(3,831)	249,506	392,735	473,951
Taxation	17	–	–	(1,982)	(32,033)
<b>Net (loss)/profit for the financial period/year</b>		(3,831)	249,506	390,753	441,918
Attributable to:					
Equity holders		(3,831)	249,506	390,753	441,918
Earnings per share attributable to equity holders of the Group (pence):					
Basic	18	(19,155.00)	43.26	0.34	0.34
Diluted	18	(19,155.00)	43.26	0.33	0.33

All amounts related to continuing operations.

**STATEMENT OF CHANGES IN EQUITY**  
**for the four periods ended 31 December 2006**

	<i>Share capital</i> £	<i>Share premium account</i> £	<i>Translation reserve</i> £	<i>Retained (deficit)/ earnings</i> £	<i>Total</i> £
At date of incorporation	–	–	–	–	–
Loss for the period	–	–	(21)	(3,831)	(3,852)
Balance at 31 March 2004	–	–	(21)	(3,831)	(3,852)
Balance at 1 April 2004	–	–	(21)	(3,831)	(3,852)
Shares issued	13,934	–	–	–	13,934
Profit for the year	–	–	(4,878)	249,506	244,628
Balance at 31 March 2005	13,934	–	(4,899)	245,675	254,710
Balance at 1 April 2005	13,934	–	(4,899)	245,675	254,710
Shares issued	2,003,087	62,596	–	–	2,065,683
Profit for the year	–	–	50,153	390,753	440,906
Balance at 31 March 2006	2,017,021	62,596	45,254	636,428	2,761,299
Balance at 1 April 2006	2,017,021	62,596	45,254	636,428	2,761,299
Profit for the 9 month period	–	–	(212,608)	441,918	229,310
Proposed listing expenses	–	(56,939)	–	–	(56,939)
Balance at 31 December 2006	2,017,021	5,657	(167,354)	1,078,346	2,933,670

**CONSOLIDATED CASH FLOW STATEMENTS**  
**for the four periods ended 31 December 2006**

	<i>Period from</i> <i>23 December</i>	<i>Year ended</i> <i>31 March</i>	<i>Year ended</i> <i>31 March</i>	<i>9 months</i> <i>ended</i> <i>31 December</i>
	<i>2002 to</i> <i>31 March</i> <i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2006</i>
<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period/year	(3,831)	249,506	390,753	441,918
Adjustments for:				
Depreciation of property, plant and equipment	–	42,743	83,195	96,254
Amortisation of prepaid lease rental	–	–	304	1,263
Interest expenses	–	–	20,985	52,454
Interest income	–	–	(42)	(343)
Taxation	–	–	1,982	32,033
Operating (loss)/profit before working capital changes	(3,831)	292,249	497,177	623,579
Increase in receivables	–	(53,224)	(214,971)	(648,812)
Increase in inventories	–	(444,893)	(34,329)	(152,553)
Increase/(decrease) in payables	3,831	778,969	(439,035)	372,489
Cash generated from/(used in) operating activities	–	573,101	(191,158)	194,703
Interest paid	–	–	(20,985)	(52,454)
Tax paid	–	–	–	(31,124)
Interest received	–	–	42	343
Net cash from/(used in) operating activities	–	573,101	(212,101)	111,468
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	–	(544,557)	(602,987)	(35,157)
Prepaid lease payment	–	–	(178,009)	–
Development costs	–	–	(116,893)	(87,831)
Net cash inflow from acquisition of subsidiary	21	–	10,499	–
Net cash used in investing activities	–	(544,557)	(887,390)	(122,988)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	–	13,934	970,245	–
Drawdown of term loan	–	–	312,982	653,473
Net cash from financing activities	–	13,934	1,283,227	653,473
<b>Net increase in cash and cash equivalents</b>	–	42,478	183,736	641,953
<b>Cash and cash equivalents at beginning of financial year/period</b>	–	–	42,478	226,214
<b>Cash and cash equivalents at end of financial year/period</b>	–	42,478	226,214	868,167
<b>Cash and cash equivalents at end of year/period comprises:</b>				
Cash and bank balances	–	42,478	226,214	868,167

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

#### (a) *Basis of preparation*

The financial information has been prepared on the historical cost convention and except as disclosed in the notes to the financial information in accordance with International Financial Reporting Standards (IFRSs). This is the first time in which these financial statements have been prepared in accordance with IFRSs.

The financial information has been prepared on the following basis:

##### *Period from 23 December 2002 to 31 March 2004*

The financial information for the period from 23 December 2002 to 31 March 2004 has been extracted from the financial statements of MobilityOne Sdn Bhd at the same date.

##### *Year ended 31 March 2005*

The financial information for the year ended 31 March 2005 has been extracted from the financial statements of MobilityOne Sdn Bhd at the same date.

##### *Year ended 31 March 2006*

The financial information for the year ended 31 March 2006 has been extracted from the consolidated financial statements of MobilityOne Sdn Bhd and its subsidiary at the same date, except as explained below.

##### *9 months ended 31 December 2006*

The financial information for the period ended 31 December 2006 has been extracted from the financial statements of MobilityOne Sdn Bhd at the same date, except as explained below. The financial information has been prepared for a period of less than one year for the purposes of the proposed listing on AIM.

##### *Reclassification and amortisation of intangibles*

Following the acquisition of the subsidiary company Netoss Sdn Bhd on 20 April 2005, the original financial statements recognised goodwill of £1,067,039, which was not amortised. In accordance with IAS 38, this amount has been reclassified as an intangible asset and has been subject to an annual impairment review in accordance with the policy stated per note 1g(i).

#### (b) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('The functional currency'). The functional currency of the Group is Ringgit Malaysia (RM). The consolidated financial information is presented in Great Britain Pounds Sterling (£, GBP), which is the Group's presentational currency as this is the currency used in the country in which the entity is to be listed.

Assets and liabilities are translated into GBP at foreign exchange rates ruling at the balance sheet date. Results and cash flows are translated into GBP using average rates of exchange for the period.

## 1. Accounting policies (continued)

### (b) *Functional and presentational currency (continued)*

The financial information set out below has been translated at the following rates:

<i>Period ended</i>	<i>Exchange rate (RM : GBP)</i>	
	<i>At balance sheet date</i>	<i>Average for period</i>
31 March 2004	6.99	7.04
31 March 2005	7.19	7.04
31 March 2006	6.41	6.71
31 December 2006	6.90	6.85

### (c) *Significant accounting estimates and judgements*

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

#### (i) *Impairment of intangibles*

The Group does not amortise other intangibles but performs an annual impairment review to ensure the amount is recoverable, in accordance with the accounting policy stated in Note 1(g)(i).

#### (ii) *Income taxes*

The Group has exposure to income taxes in Malaysia. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (iii) *Estimation of fair value of properties*

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; or
- (b) recent prices of similar properties based on a less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

## 1. Accounting policies (continued)

### (c) *Significant accounting estimates and judgements (continued)*

#### (iv) *Depreciation of property, plant and equipment*

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the plant and equipment to be within 5 to 50 years as stated in Note 1(e)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (d) *Basis of consolidation*

The consolidated financial statements include the financial statements of the company and its subsidiary company, through acquisition accounting, which are made up to the end of the financial period.

A subsidiary company is a company in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

The purchase method of accounting is used to account for the acquisition of subsidiary companies. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate. The accounting policy on goodwill on acquisition of subsidiary companies, where applicable, is set out in Note 1(g)(iii). The reserve on consolidation is recognised in the income statement in the period of the acquisition.

Intra-group balances, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill which were not previously recognised in the consolidated income statement.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (e) *Property, plant and equipment*

#### (i) *Recognition and measurement*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 1(m).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

## 1. Accounting policies (continued)

### (e) *Property, plant and equipment (continued)*

#### (i) *Recognition and measurement (continued)*

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### (ii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

#### (iii) *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Electronic Data Capture equipment	10 years
Computer equipment	5 years
Computer software	10 years
Furniture and fittings	10 years
Office equipment	10 years
Renovation	10 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial period end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the income statement. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the distribution reserve.

## 1. Accounting policies (continued)

### (f) *Prepaid lease payments*

Leasehold land that normally has an indefinite economic life and its title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term.

The Group treats the lease of land as an operating lease, with the unamortised carrying amount classified as prepaid lease payments in accordance with IAS 17.

### (g) *Intangible assets*

#### (i) *Other intangible assets*

Other intangible assets relate to acquired intellectual property. The intellectual property relates to specialist software protected by recognised trademarks.

Acquired intellectual property is capitalised at cost and subject to an annual impairment review. Where there is evidence of impairment, the amounts are written down to the recoverable amount. Any impairment charges are expensed through the income statement in administrative expenses.

#### (ii) *Research and development costs*

All research costs are recognised in the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised through administrative expenses in the income statement using the straight-line basis over the commercial lives of the underlying products not exceeding five years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each balance sheet date.

#### (iii) *Goodwill*

Goodwill acquired in a business combination is initially measured at cost, representing the excess of the purchase price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired, in accordance with Note 1(c)(i).

Gains or losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

## 1. Accounting policies (continued)

### (h) *Inventories*

Inventories are valued at the lower of cost and net realisable value and are determined on the first-in-first-out method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### (i) *Trade and other receivables*

Trade and other receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

### (j) *Cash and cash equivalents*

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

### (k) *Trade and other payables*

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### (l) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from those borrowings.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate which is weighted on the borrowing costs applicable to the Group's borrowings that are outstanding during the financial period, other than borrowings made specifically for the purpose of acquiring another qualifying asset.

Borrowing costs which are not eligible for capitalisation are recognised as an expense in the income statement in the period in which they are incurred.

### (m) *Impairment of assets*

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has an indefinite useful life, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

## 1. Accounting policies (continued)

### (m) *Impairment of assets (continued)*

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the income statement in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

### (n) *Income tax*

Income tax on the profit or loss for the financial period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

## 1. Accounting policies (continued)

### (o) *Revenue recognition*

#### (i) *Revenue from trading activities*

Revenue in respect of using the Group's e-channel platform arises from the sales of prepaid credit, sales commissions received and fees per transaction charged to customers. Revenue for sales of prepaid credit is deferred until such time as the products and services are delivered to end users. Sales commissions and transaction fees are received from various product and service providers and are recognised when the services are rendered and transactions are completed.

Revenue from Solution Sales and Consultancy comprise sales of software solutions, hardware equipment, consultancy fees and maintenance and support services. For sales of hardware equipment, revenue is recognised when the significant risks associated with the equipment are transferred to customers or the expiry of the right of return. For all other related sales, revenue is recognised upon delivery to customers and over the period in which services are expected to be provided to customers.

#### (ii) *Interest income*

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

### (p) *Employee benefits*

#### (i) *Short term employee benefits*

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

#### (ii) *Defined contribution plans*

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the period to which they relate.

### (q) *Financial instruments*

Financial instruments carried on the balance sheet include cash and bank balances, deposits, investments, receivables, payables and borrowings. Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

## 1. Accounting policies (continued)

### (q) *Financial instruments (continued)*

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

### (r) *Foreign currencies*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as financial assets held for trading and at fair value, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in equity.

## 2. Property, plant and equipment

	<i>Property</i> £	<i>Plant and equipment</i> £	<i>Other</i> £	<i>Total</i> £
<b>Cost</b>				
At 1 April 2004	–	–	–	–
Additions	–	540,269	4,288	544,557
Foreign exchange difference	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	–	540,269	4,288	544,557
Additions	182,724	374,228	46,035	602,987
Foreign exchange difference	–	66,523	528	67,051
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	182,724	981,020	50,851	1,214,595
Additions	7,189	25,271	2,697	35,157
Foreign exchange difference	(13,855)	(74,387)	(3,856)	(92,098)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	176,058	931,904	49,692	1,157,654
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2004	–	–	–	–
Charge for the year	–	42,422	321	42,743
Foreign exchange difference	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	–	42,422	321	42,743
Charge for the year	1,835	79,824	1,536	83,195
Foreign exchange difference	–	5,225	39	5,264
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	1,835	127,471	1,896	131,202
Charge for the period	3,771	88,807	3,676	96,254
Foreign exchange difference	(139)	(9,667)	(144)	(9,950)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	5,467	206,611	5,428	217,506
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2006	170,591	725,293	44,264	940,148
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	180,889	853,549	48,955	1,083,393
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	–	497,847	3,967	501,814
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>

### 3. Prepaid lease payments

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
<b>Cost – Leasehold land</b>				
Brought forward	–	–	–	178,009
Additions	–	–	178,009	–
Disposals	–	–	–	–
Foreign exchange difference	–	–	–	(13,498)
Carried forward	<u>–</u>	<u>–</u>	<u>178,009</u>	<u>164,511</u>
<b>Amortisation – Leasehold land</b>				
Brought forward	–	–	–	304
Charge for the year/period	–	–	304	1,263
On disposal	–	–	–	–
Foreign exchange difference	–	–	–	(23)
Carried forward	<u>–</u>	<u>–</u>	<u>304</u>	<u>1,544</u>
<b>Net book value</b>				
Carried forward	<u>–</u>	<u>–</u>	<u>177,705</u>	<u>162,967</u>
Brought forward	<u>–</u>	<u>–</u>	<u>–</u>	<u>177,705</u>

### 4. Development costs

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Cost brought forward	–	–	–	116,893
Incurred during the period/year	–	–	116,893	87,831
Foreign exchange difference	–	–	–	(8,863)
Cost carried forward	<u>–</u>	<u>–</u>	<u>116,893</u>	<u>195,861</u>

No development costs were charged to the income statement in any period.

## 5. Other intangible assets

	<i>31 March</i> <i>2004</i> £	<i>31 March</i> <i>2005</i> £	<i>31 March</i> <i>2006</i> £	<i>31 December</i> <i>2006</i> £
<b>Cost and net book value –</b>				
<b>Intellectual property</b>				
Brought forward	–	–	–	1,067,039
Additions (note 21)	–	–	1,067,039	–
Foreign exchange difference	–	–	–	(80,910)
Carried forward	<u>–</u>	<u>–</u>	<u>1,067,039</u>	<u>986,129</u>

The recoverable amount of the intellectual property has been calculated with reference to its value in use. The key features of this calculation are shown below.

Period on which management approved forecasts are based:	15 years
Growth rate applied beyond forecast approved period:	nil
Discount rate:	9%

Management have used an approved forecast period of greater than five years because they consider that the value of the intangible asset will be recovered over a period of 15 years from 20 April 2005.

The growth rates used in the value in use calculation reflect the average growth rate experienced by the Group over the periods since trading commenced.

## 6. Inventories

	<i>31 March</i> <i>2004</i> £	<i>31 March</i> <i>2005</i> £	<i>31 March</i> <i>2006</i> £	<i>31 December</i> <i>2006</i> £
Air time	–	444,893	404,830	261,018
Software	–	–	129,105	384,983
Other	–	–	66	61
	<u>–</u>	<u>444,893</u>	<u>534,001</u>	<u>646,062</u>

## 7. Other receivables

	<i>31 March</i> <i>2004</i> £	<i>31 March</i> <i>2005</i> £	<i>31 March</i> <i>2006</i> £	<i>31 December</i> <i>2006</i> £
Other receivables	–	4,952	119,797	12,408
Deposits	–	3,977	125,477	115,963
Prepayments	–	27,147	16,213	11,434
	<u>–</u>	<u>36,076</u>	<u>261,487</u>	<u>139,805</u>

## 8. Other payables

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Other payables	3,781	594,821	243,345	247,164
Accruals	71	800	9,360	9,309
	<u>3,852</u>	<u>595,621</u>	<u>252,705</u>	<u>256,473</u>

## 9. Bank borrowings

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
<b>Secured</b>				
Term loans	–	–	–	176,211
Bills payable	–	–	–	477,262
	<u>–</u>	<u>–</u>	<u>–</u>	<u>653,473</u>
<b>Analysed as:</b>				
<b>Repayable within 12 months</b>				
Term loans	–	–	–	23,603
Bills payable	–	–	–	477,262
	<u>–</u>	<u>–</u>	<u>–</u>	<u>500,865</u>
<b>Repayable after 12 months</b>				
Term loans	–	–	–	152,608
	<u>–</u>	<u>–</u>	<u>–</u>	<u>653,473</u>

The above credit facilities from licensed bank are secured by the following:

- fixed charge over the company's long leasehold land and buildings;
- pledge of fixed deposits of the company;
- personal guarantee by a director of the company; and
- corporate guarantee by a corporate shareholder of the company.

The term loan of the company is repayable over 89 equal monthly instalment of £1,967 each and a final instalment of £1,148.

The weighted average effective interest rate of the Group and of the Company for the above facilities are 3.77 per cent. per annum at 31 December 2006.

The maturity of the borrowings is as follows:

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Within one year	–	–	–	500,865
Between one and two years	–	–	–	23,603
Between two and five years	–	–	–	70,808
After five years	–	–	–	58,197
	<u>–</u>	<u>–</u>	<u>–</u>	<u>653,473</u>

## 10. Share capital

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Ordinary shares of RM 0.10 each:				
Authorised	14,462	3,483,382	3,912,279	3,615,624
Issued and fully paid	–	13,934	2,017,021	2,017,021
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Ordinary shares of RM 0.10 each:				
Authorised	100,000	230,000,000	230,000,000	230,000,000
Issued and fully paid	2	1,000,020	129,000,020	129,000,020

## 11. Redeemable cumulative convertible preference shares

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Redeemable cumulative Convertible preference shares of RM 0.10 each:				
Authorised	–	–	312,982	289,250
Issued and fully paid	–	–	312,982	289,250
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Ordinary shares of RM 0.10 each:				
Authorised	–	–	20,000,000	20,000,000
Issued and fully paid	–	–	20,000,000	20,000,000

On 1 July 2005, the company issued 20,000,000 units of Redeemable Cumulative Convertible Preference Shares (“RCCPS”) at a nominal value of RM 0.10 each. The RCCPS are recognised in the balance sheet as a liability component. The salient features of the RCCPS are as follows:

(a) *Tenure*

The RCCPS have a maturity date of six (6) months and renewable at the option of the holder.

On 1 December 2005, the maturity date of the RCCPS extended to 31 December 2007.

(b) *Conversion Rights*

The registered holder shall have the right at any time during the conversion period to convert one (1) RCCPS at the Conversion Ratio into one (1) new ordinary share of RM 0.10 each in MobilityOne Sdn Bhd at the Conversion Price.

(c) *Dividend*

Cumulative preferential dividend of 8 per cent. per annum calculated on a daily basis based on issue price, paid in arrears and distributable on a monthly basis.

## 11. Redeemable cumulative convertible preference shares (continued)

(d) *Conversion ratio*

One (1) per RCCPS for one (1) ordinary share of RM 0.10 each in the company.

The RCCPS recognised in the balance sheet as liability component.

(e) *Conversion price*

The RCCPS shall be convertible into new ordinary shares at RM 0.10 per new ordinary share of RM 0.10 each in MobilityOne Sdn Bhd.

(f) *Redemption*

The RCCPS shall be redeemed by cash at RM 0.10 per RCCPS at the maturity date.

## 12. Deferred taxation

	<i>31 March 2004</i>	<i>31 March 2005</i>	<i>31 March 2006</i>	<i>31 December 2006</i>
	£	£	£	£
Brought forward	–	–	–	2,078
Recognised in income statement	–	–	1,982	916
Foreign exchange difference	–	–	96	(165)
Carried forward	–	–	2,078	2,829
<b>Presented after appropriate offsetting as follows:</b>				
Accelerated capital allowances	–	–	16,352	17,235
Unutilised capital allowances	–	–	(14,274)	(14,406)
	–	–	2,078	2,829

## 13. Segmental reporting

For management reporting purposes, the Group's activities are treated as a single class of business, all arising from goods and services provided in the Far East. Accordingly, no segmental analysis of revenues, profits, assets and liabilities is available for presentation.

## 14. Other operating income

	<i>Period from 23 December 2002 to 31 March 2004</i>	<i>Year ended 31 March 2005</i>	<i>Year ended 31 March 2006</i>	<i>9 months ended 31 December 2006</i>
	£	£	£	£
Foreign exchange gain on				
– Realised	–	–	–	1,244
– Unrealised	–	–	–	20,183
Other income	–	–	203	45
Interest income	–	–	42	343
	–	–	245	21,815

## 15. Finance costs

	<i>Period from 23 December 2002 to 31 March 2004 £</i>	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2006 £</i>	<i>9 months ended 31 December 2006 £</i>
Redeemable cumulative convertible preference shares interest	–	–	20,985	44,678
Term loan interest	–	–	–	7,776
	<u>–</u>	<u>–</u>	<u>20,985</u>	<u>52,454</u>

## 16. (Loss)/profit before taxation

(Loss)/profit before taxation is derived after charging:

	<i>Period from 23 December 2002 to 31 March 2004 £</i>	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2006 £</i>	<i>9 months ended 31 December 2006 £</i>
Auditors' remuneration				
Audit	71	711	2,688	1,967
Other fees*	–	–	–	–
Depreciation of property, plant and equipment	–	42,743	83,195	96,254
Amortisation of prepaid lease payment	–	–	304	1,263
Operating lease expense	–	711	7,032	11,628
Redeemable cumulative convertible preference share interest	–	–	20,985	44,678
Term loan interest	–	–	–	7,776
Interest income	–	–	42	343
Cost of inventories recognised as an expense (included in cost of sales)	–	4,709,077	8,479,270	7,267,468
Gain on foreign exchange				
– Realised	–	–	–	1,244
– Unrealised	–	–	–	20,183
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

\*Other fees paid to the auditors include £4,589 in respect of proposed listing expenses which are included in the amounts charged to the share premium account during period ended 31 December 2006.

## 17. Taxation

### (a) *Component of tax expenses:*

	<i>Period from 23 December 2002 to 31 March 2004 £</i>	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2006 £</i>	<i>9 months ended 31 December 2006 £</i>
Under provision in previous year	–	–	–	31,117
Deferred tax expense relating to temporary differences (note 12)	–	–	1,982	916
	<u>–</u>	<u>–</u>	<u>1,982</u>	<u>32,033</u>

The underprovision for taxation arising in the period ended 31 December 2006 has arisen based on profits arising prior to 27 April 2005, when MSC status was obtained (note 17 (c)).

### (b) *Reconciliation of tax expense with accounting profit:*

	<i>Period from 23 December 2002 to 31 March 2004 £</i>	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2006 £</i>	<i>9 months ended 31 December 2006 £</i>
Accounting profit	(3,831)	249,506	392,735	473,951
Income tax at effective rate of tax of (2004: 20 per cent., 2005: 28 per cent., 2006: 28 per cent.)	(766)	69,862	109,181	132,381
Tax effect of expenses that are not deductible in determining taxable profit:				
Expenses not deductible for tax purposes	–	481	883	962
Income not taxable for tax purposes	766	(70,343)	(108,082)	(132,427)
Under provision in previous year	–	–	–	31,117
Tax expense	<u>–</u>	<u>–</u>	<u>1,982</u>	<u>32,033</u>

### (c) *Factors affecting future tax charges*

On 27 April 2005, MobilityOne Sdn Bhd obtained tax exempt MSC status which entitles the company to tax exemption on business sources of income for a period of 5 years commencing on 27 April 2005. This exemption is potentially extendable for a further 5 years.

## 18. Earnings Per Share

### (a) *Basic earnings per share*

The earnings per share has been calculated based on the consolidated profit after taxation of £441,918 (31.3.2006: £390,753, 31.3.2005: £249,506 and 31.3.2004: Loss of £3,831) for the Group and the weighted average number of ordinary shares in issue during the financial period of 129,000,020 (31.3.2006: 116,309,609, 31.3.2005: 576,732 and 31.3.2004: 20).

### (b) *Fully diluted earnings per share*

Fully diluted earnings per share has been calculated based on the adjusted consolidated profit after taxation of £486,596 (31.3.2006: £411,738, 31.3.2005: £249,506 and 31.3.2004: Loss of £3,831) for the Group and the adjusted weighted average number of ordinary shares issued and issuable of 149,000,020 (31.3.2006: 123,816,458, 31.3.2005: 576,732 and 31.3.2004: 20) shares.

## 19. Staff Costs

	<i>Period from 23 December 2002 to 31 March 2004 £</i>	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2006 £</i>	<i>9 months ended 31 December 2006 £</i>
Staff costs (excluding Directors) comprise:				
Charged to income statements	–	62,981	272,967	236,997
Capitalised to intangible asset	–	–	62,321	62,069
Total staff costs for the period/year	<u>–</u>	<u>62,981</u>	<u>335,288</u>	<u>299,066</u>

Included in the staff costs (excluding Directors) are contributions made to the Employees Provident Fund under a defined contribution plan of the Group amounting to £24,823 (31.3.2006: £25,872, 31.3.2005 and 31.3.2004: £nil).

Directors emoluments are included in development costs (note 4) and amount to £22,028 (31.3.06: £29,371, 31.3.05: £Nil, 31.3.04: £Nil).

## 20. Financial Instruments

### (a) *Financial risk management objectives and policies*

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

### (b) *Interest rate risk*

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits. The Group and the Company monitors the interest rates constantly although the prevailing interest rates are low.

## 20. Financial Instruments (continued)

(c) **Credit risk**

The Group's and the Company's exposure to credit risk arises mainly from receivables.

Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

At each balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the balance sheet.

(d) **Foreign currency exchange risk**

The Group and the Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily US dollars. The Group and the Company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

(e) **Liquidity and cash flow risks**

The Group and the Company seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's and the Company's ability to repay and/or refinance.

The Group and the Company also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

(f) The carrying amounts of financial liabilities of the Group and the Company at the balance sheet date approximated their fair values except for the following:

The aggregate fair values of the other financial assets and liabilities are as follows:

	<i>31 March</i> 2004 £	<i>31 March</i> 2005 £	<i>31 March</i> 2006 £	<i>31 December</i> 2006 £
Financial liabilities				
Borrowings				
– Carrying amount	–	–	–	176,211
– Fair value	–	–	–	172,532
	<hr/>	<hr/>	<hr/>	<hr/>

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

- (i) The carrying amounts of cash and cash equivalents, trade and other receivables/payables and short term borrowings approximate fair values due to the relatively short term maturity of these financial instruments.
- (ii) The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

## 21. Acquisition of subsidiary company

On 20 April 2005, the company acquired 100 per cent. of the issued share capital in Netoss Sdn Bhd, a company incorporated in Malaysia, for a total consideration of £1,095,438. Details of the net assets acquired are as set out below:

	<i>Book value and fair value £</i>
Intellectual property rights	1,067,039
Trade and other receivables	21,847
Cash and bank balances	10,499
Trade and other payables	(3,947)
<b>Net assets acquired</b>	<u>1,095,438</u>
70,000,000 ordinary RM 0.10 shares issued on acquisition	1,095,438
Goodwill	–
<b>Net assets acquired</b>	<u>1,095,438</u>

The fair value of the consideration is equal to the nominal value of the shares issued as consideration. The directors consider the fair value of the assets acquired to be the same as the book value.

The effect of the acquisition on the financial results of the Group during the financial year ended 31 March 2006 and the financial period ended 31 December 2006 were as follows:

	<i>Year ended 31 March 2006 £</i>	<i>Period ended 31 December 2006 £</i>
Revenue	430,948	456,488
Cost of sales	(291,378)	(347,263)
Gross profit	<u>139,570</u>	<u>109,225</u>
Administrative expenses	(135,506)	(99,423)
Profit for the financial period	<u>4,064</u>	<u>9,802</u>

No operations have been disposed subsequent to the acquisition.

## 22. Post balance sheet events

On 30 April 2007, the 20,000,000 units of Redeemable Cumulative Convertible Preference Shares of RM0.10 each were converted into 20,000,000 Ordinary Shares of RM0.10 each.

On 1 May 2007 there was a bonus issue of one Ordinary Share of RM0.10 for every existing five shares held. A total of 29,800,004 Ordinary Shares of RM0.10 each were allotted pursuant to this bonus issue.

Following the above share allotments, the total issued share capital of the company was 178,800,024 Ordinary Shares of RM0.10 each.

Following a Share Swap Agreement 100 per cent. of the share capital of the company was acquired by MobilityOne Limited on 22 June 2007.

## PART V

### UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS FOR THE GROUP

The following unaudited pro forma statement of consolidated net assets for the Group following the Placing has been prepared for illustrative purposes only to show the effect of the Placing as if it had occurred on 31 March 2007. Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of the Group.

The statement of pro forma net assets set out below is based on the audited balance sheet of the Company at 31 March 2007 and the consolidated audited balance sheet of MobilityOne Malaysia as at 31 December 2006, after making the adjustments on the basis described in the notes below. The historical financial information of MobilityOne Malaysia has been prepared in accordance with IFRS and is presented in £ Sterling. The notes below form an integral part of the pro-forma statement of net assets.

#### Unaudited pro-forma statement of net assets

	<i>The Company 31 March 2007</i>	<i>MobilityOne Malaysia 31 December 2006</i>	<i>Adjustments</i>		<i>Pro forma net assets of the Enlarged Group</i>
<i>Note</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>£'000</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Non-current assets</b>					
Property, plant and equipment	–	940	–	–	940
Prepaid lease payment	–	163	–	–	163
Development costs	–	196	–	–	196
Other tangible assets	–	986	–	–	986
	<u>–</u>	<u>2,285</u>	<u>–</u>	<u>–</u>	<u>2,285</u>
<b>Current assets</b>					
Inventories	–	646	–	–	646
Trade receivables	–	726	–	–	726
Other receivables	–	140	–	–	140
Cash and bank balances	–	868	–	1,158	2,026
	<u>–</u>	<u>2,380</u>	<u>–</u>	<u>1,158</u>	<u>3,538</u>
<b>Total assets</b>	<u>–</u>	<u>4,665</u>	<u>–</u>	<u>1,158</u>	<u>5,823</u>
<b>Current liabilities</b>					
Trade payables	–	385	–	–	385
Other payables	–	256	–	–	256
Amount owing to director	–	145	–	–	145
Bank borrowings	–	501	–	–	501
	<u>–</u>	<u>1,287</u>	<u>–</u>	<u>–</u>	<u>1,287</u>
<b>Non current liabilities</b>					
Redeemable cumulative convertible preference shares	–	289	(289)	–	–
Deferred tax	–	3	–	–	3
Bank borrowings	–	152	–	–	152
	<u>–</u>	<u>444</u>	<u>(289)</u>	<u>–</u>	<u>155</u>
<b>Total liabilities</b>	<u>–</u>	<u>1,731</u>	<u>(289)</u>	<u>–</u>	<u>1,442</u>
<b>Net assets</b>	<u>–</u>	<u>2,934</u>	<u>289</u>	<u>1,158</u>	<u>4,381</u>

## Notes

- 1 The net assets of the Company at 31 March 2007 have been extracted without adjustment from Part III of this document. The consolidated net assets of MobilityOne Malaysia have been extracted without adjustment from the financial information set out in Part IV of this document. With the exception of the transactions referred to below, no account has been taken of the activities of the Company since 31 March 2007 or of MobilityOne Malaysia since 31 December 2006.
- 2 On 30 April 2007 20,000,000 units of Redeemable Cumulative Convertible Preference Shares of RM0.10 each in MobilityOne Malaysia were converted into 20,000,000 Ordinary Shares of RM0.10 each. On 1 May 2007 there was a bonus issue of one Ordinary Share of RM0.10 for every existing five shares held. A total of 29,800,004 Ordinary Shares of RM0.10 each were allotted pursuant to this bonus issue. On 22 June 2007 the Company acquired the entire issued share capital of MobilityOne Malaysia. The fair values of the assets and liabilities of MobilityOne Malaysia have not yet been assessed and accordingly no fair value adjustments or goodwill arising on this transaction have been accounted for above.
- 3 The adjustment represents estimated gross proceeds from the Placing of 12,300,000 new shares in MobilityOne Limited of £1,537,500 less estimated admission costs of £380,000.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility Statements

The Directors (whose names are set out on page 5 of this document) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of that information.

#### 2. The Company and its Share capital

2.1 The Company was incorporated in Jersey as a public limited liability par value company on 22 March 2007 under the laws of Jersey under the name MobilityOne Limited. The Company is registered under the number 96293. The Company is governed by its memorandum and articles of association and the principal statute governing the Company is the Law. The Company has the rights and powers of a natural person.

2.2 The liability of the members of the Company is limited.

2.3 The Company's registered office is at Walker House, PO Box 72, 28-34 Hill Street, St. Helier, Jersey, JE4 8PN, Channel Islands and its principal place of business is at C-G-11 Block C, Jalan Dataran SD1, Dataran SD PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia. The Company is domiciled in Jersey.

2.4 The authorised and issued share capital of the Company (all of which is fully paid up unless otherwise stated) at the date of this document and on Admission will be:

	<i>Authorised Share Capital</i>		<i>Issued Share Capital</i>	
	<i>Number</i>	<i>Amount (£)</i>	<i>Number</i>	<i>Amount (£)</i>
At the date of this document	400,000,000	10,000,000.00	81,637,204	2,040,930.10
On Admission	400,000,000	10,000,000.00	93,937,204	2,348,430.10

2.5 On incorporation the Company had an authorised share capital of £10,000,000.00 divided into 200,000,000 ordinary shares of 5 pence each, all of which are registered, ranking *pari passu* in all respects, of which two ordinary shares of 5 pence each were issued to the subscribers to the memorandum of association of the Company, WN1 Limited and WN2 Limited.

2.6 The following is a summary of the changes in the authorised and issued share capital of the Company since its incorporation:

2.6.1 On 26 March 2007 the two shares issued to WN1 Limited and WN2 Limited were transferred to Seah Boon Chin and Derrick Chia Kah Wai respectively.

2.6.2 On 4 June 2007, pursuant to a special resolution of the shareholders of the Company ("Special Resolution"), the share capital of the Company was sub-divided from £10,000,000.00 divided into 200,000,000 ordinary shares of 5 pence each to £10,000,000.00 divided into 400,000,000 ordinary shares of 2.5 pence each. Such subdivision applied to each of the shares in issue as of the date of the Special Resolution so that the two ordinary shares of 5 pence each held by Seah Boon Chin and Derrick Chia Kah Wai were subdivided into four ordinary shares of 2.5 pence each.

2.6.3 On 5 June 2007, the four ordinary shares of 2.5 pence each were transferred to Hussian @ Rizal Bin A. Rahman.

2.6.4 Pursuant to the Share Swap Agreement dated 22 June 2007 the entire issued share capital of MobilityOne Malaysia was transferred to the Company by Hussian @ Rizal Bin A. Rahman,

Lim Peng Kwee, Dato' Shamsir Bin Omar, Lim Lae Yong, Wong Ah Kau @ Wong Mun Sang, Wong Wai Choong, Cheah King Fui, Thornbeam, GHL and Always Wealthy Sdn Bhd, in consideration of the allotment and issue by the Company to each of them of 27,452,107, 5,670,777, 9,131,677, 7,305,341, 9,234,409, 1,369,751, 913,168, 16,048,922, 3,209,784, 1,301,264 Ordinary Shares respectively.

- 2.7 The Ordinary Shares are to be issued in British Pounds Sterling with International Security Identification Number ("ISIN") JE00B1Z48326.
- 2.8 Jersey law does not include statutory pre-emption rights. The Company will therefore voluntarily adopt pre-emption provisions in the Articles which will be adopted prior to Admission. The summary of these provisions is set out in paragraph 6 of this Part VI.
- 2.9 The Company has agreed to grant to HB Corporate, conditionally upon Admission, options in respect of 1,416,558 Ordinary Shares, representing 1.5 per cent. of the Enlarged Share Capital, which shall be exercisable from Admission until the fifth anniversary of Admission at the Placing Price.
- 2.10 Other than the options described in paragraph 2.9 above and the options granted under the Share Option Plan as set out in paragraph 11 of this Part IV, the Company does not have in issue any securities not representing share capital and has not issued or granted any options, warrants or any convertible securities of the Company.
- 2.11 The Placing Shares will rank *pari passu* for all dividends or other distributions hereafter declared, paid or made on existing Ordinary Shares. All Placing Shares shall form one class with the existing Ordinary Shares and shall rank *pari passu* in respect of payment of dividends, voting rights, entitlement to liquidation proceeds and otherwise.
- 2.12 Following Admission, the Ordinary Shares may be held in either certificated form or in uncertificated form.
- 2.13 The Company holds 100 per cent. of the share capital of MobilityOne Malaysia, which was incorporated in Malaysia on 23 December 2002. MobilityOne Malaysia's principal activities are the provision of electronic products and services, technology managed services and solution sales and consultancy. Its registered office is 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan, Malaysia and its principal place of business is C-G-11 Block C, Jalan Dataran SD1, Dataran SD PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur, Malaysia.
- 2.14 MobilityOne Malaysia holds 100 per cent. of the issued share capital of Netoss, which was incorporated in Malaysia on 2 October 2003. Netoss's principal activities are the provision of solution sales and services. Its registered office is 36A, Lorong Gelugor, Off Persiaran Sultan Ibrahim, 41300 Klang, Selangor Darul Ehsan, Malaysia and its principal place of business is C-G-11 Block C, Jalan Dataran SD1, Dataran SD PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur, Malaysia.

### **3. Significant Shareholders**

- 3.1 Save for the interests of the Directors, which are set out in paragraph 4.1 below, and the interests disclosed in paragraph 3.2 below, the Directors are not aware of any person who holds Ordinary Shares as at the date of this document and immediately following Admission and which represent three per cent. or more of the nominal value of the Enlarged Share Capital.
- 3.2 In addition to the holdings of certain of the Directors, details of which are set out in paragraph 4.1 of this Part VI, the Directors are aware of the following holdings of Ordinary Shares, all of which to the best of their knowledge and belief are beneficial, which as at the date of this document represented three per cent. or more of the issued ordinary share capital of the Company or which will, following the Placing and Admission, represent three per cent. or more of the Enlarged Share Capital:

<i>Shareholders</i>	<i>No. of Ordinary Shares at the date of this document</i>	<i>Percentage of issue share capital at the date of this document</i>	<i>No. of Ordinary Shares in the Enlarged Share Capital</i>	<i>Percentage of the Enlarged Share Capital</i>
Lim Peng Kwee	5,670,777	6.9	5,670,777	6
Lim Lae Yong	7,305,341	8.9	7,305,341	7.8
GHL	3,209,784	3.9	3,209,784	3.4
Thornbeam	16,048,922	19.7	16,048,922	17
Wong Ah Kau @ Wong Mun Sang	9,234,409	11.3	9,234,409	9.8
Hoodless Brennan plc	0	0	4,380,000	4.7
Perbadanan Nasional Berhad	0	0	5,290,000	5.6

3.3 There are no differences between the voting rights enjoyed by the Shareholders described in paragraphs 3.2 and 4.1 and those enjoyed by any other holder of Ordinary Shares.

#### 4. Directors' and other interests

4.1 The interests of the Directors and their immediate families and, as far as they are aware having made due and careful enquiries, of persons connected with them (within the meaning of section 346 of the Act) in the share capital of the Company as at the date of this document and upon Admission, all of which are beneficial, unless otherwise stated, are set out below:

<i>Directors</i>	<i>No. of Ordinary Shares at the date of this document</i>	<i>Percentage of issue share capital at the date of this document</i>	<i>No. of Options held at Admission</i>	<i>No. of Ordinary Shares in the Enlarged Share Capital</i>	<i>Percentage of the Enlarged Share Capital</i>
Dato' Dr. Wan Azmi Bin Ariffin Hussian @ Rizal	0	0	0	0	0
Bin A. Rahman	27,452,111	33.6	2,000,000	27,452,111	29.7
Derrick Chia Kah Wai	0	0	2,000,000	0	0
Seah Boon Chin	0	0	2,000,000	0	0
Dato' Shamsir Bin Omar	9,131,677	11.2	0	9,131,677	9.7
Kjetil Langland Bohn	0	0	0	0	0

4.2 Save as disclosed in this document, none of the Directors holds any securities (including options or warrants) convertible or exchangeable into, or giving the right to subscribe for, shares.

4.3 Except as disclosed in paragraph 4.1 above, none of the Directors, nor any member of their respective immediate families, nor any person connected with them (within Section 346 of the Act), is interested in any share capital of the Company.

4.4 None of the Directors or persons connected with them (within the meaning of Section 346 of the Act) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

4.5 The Directors hold or have held the following directorships and/or partnerships (in addition, where relevant, to being a Director of the Company) within the five years prior to the publication of this document:

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Dato' Dr. Wan Azmi Bin Ariffin	Raffles Design Institute	Nil
Hussian @ Rizal Bin A. Rahman	Netoss LMS Mineral Sdn. Bhd. MobilityOne Malaysia	Sugar Bun Corporation Berhad
Derrick Chia Kah Wai	Nil	Nil

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Seah Boon Chin	Nil	Nil
Dato' Shamsir Bin Omar	Naim Indah Corporation Berhad Tanah Emas Corporation Berhad Shamsir Jasani Grant Thornton MobilityOne Malaysia Netoss	Systematic Education Group Berhad
Kjetil Langland Bohn	Vyke Communications Plc Vyke AS Maskina Communication Inc Maskina Eft Vyke Asia Gult Hus og Stormende Jubel KN Management AS	Viva Technologies AS

4.6 None of the Directors has:

- (a) any unspent convictions relating to indictable offences;
- (b) had a bankruptcy order made against him or entered into any individual voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the 12 months preceding, such events;
- (d) been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within 12 months preceding, such events;
- (e) had any asset belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within 12 months preceding, such receivership; or
- (f) been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

4.7 Save for Hussian @ Rizal Bin A.Rahman's interests in contracts entered by Netoss and the personal guarantees given by him to AmBank and to MobilityOne Malaysia referred to in paragraph 7.4 of this Part VI, no Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current or previous financial year or during any previous financial year that remains outstanding or unperformed.

## **5. Directors' Service Agreements and Letters of Appointment**

The following are particulars of the Directors' service agreements and letters of appointments with the Company:

### **5.1 Executive Directors**

5.1.1 Hussian @ Rizal Bin. A.Rahman has entered into a service agreement with the Company dated 4 June 2007 and was appointed as Chief Executive Officer. Under the service agreement Hussian @ Rizal Bin. A.Rahman's remuneration is £28,000 per annum together with such further discretionary bonus as the remuneration committee of the Board may determine, acting

within its terms of reference. In addition, under the terms of his employment contract with MobilityOne Malaysia, he receives annual remuneration of RM180,000 (£26,700) making his aggregate remuneration from the Group £54,700. The Company shall reimburse to him all reasonable business expenses properly incurred and defrayed by him in the course of the employment. He will also be entitled to business class flights and standard class hotel accommodation, and to a mileage allowance covering the costs of petrol and insurance in using his private car in the course of his duties of employment. The service agreement can be terminated by either party giving twelve months' written notice. Hussian @ Rizal Bin. A.Rahman is subject to a gardening leave provision and to non-compete and non-solicitation provisions for periods of six months and twelve months respectively following termination of the service agreement. Hussian @ Rizal Bin. A.Rahman is based in Malaysia and is responsible for the overall strategic planning and development of the Group and such other responsibilities as would normally be undertaken by the Chief Executive Officer of the Group.

5.1.2 Derrick Chia Kah Wai has entered into a service agreement with the Company dated 4 June 2007 and was appointed as Chief Technology Officer. Under the service agreement Derrick Chia Kah Wai's remuneration is £20,000 per annum together with such further discretionary bonus as the remuneration committee of the Board may determine, acting within its terms of reference. In addition, under the terms of his employment contract with MobilityOne Malaysia, he receives annual remuneration of RM135,960 (£20,000) making his aggregate remuneration from the Group £40,000. The Company shall reimburse to him all reasonable business expenses properly incurred and defrayed by him in the course of the employment. He will also be entitled to business class flights and standard class hotel accommodation, and to a mileage allowance covering the costs of petrol and insurance in using his private car in the course of his duties of employment. The service agreement can be terminated by either party giving twelve months' written notice. Derrick Chia Kah Wai is based in Malaysia and is responsible for all responsibilities as would normally be undertaken by the Chief Technology Officer of the Group.

5.1.3 Seah Boon Chin has entered into a service agreement with the Company dated 4 June 2007 and was appointed as Corporate Finance Director. Under the service agreement Seah Boon Chin's remuneration is £20,000 per annum together with such further discretionary bonus as the remuneration committee of the Board may determine, acting within its terms of reference. In addition, under the terms of his employment contract with MobilityOne Malaysia, he receives annual remuneration of RM120,000 (£19,000) making his aggregate remuneration from the Group £39,000. The Company shall reimburse to him all reasonable business expenses properly incurred and defrayed by him in the course of the employment. He will also be entitled to business class flights and standard class hotel accommodation, and to a mileage allowance covering the costs of petrol and insurance in using his private car in the course of his duties of employment. The service agreement can be terminated by either party giving six months' written notice. Seah Boon Chin is based in Malaysia and is responsible for all responsibilities as would normally be undertaken by the Corporate Finance Director of the Group.

## 5.2 *Non-Executive Directors*

5.2.1 Pursuant to a letter of appointment dated 4 June 2007 the Company has appointed Dato' Dr. Wan Azmi Bin Ariffin as non-executive Chairman of the Company. Dato' Wan Azmi Bin Ariffin shall receive a Director's fee of RM36,000 per annum payable monthly in arrears. The appointment is to continue until terminated by either party on the giving of 3 months' written notice.

5.2.2 Pursuant to a letter of appointment dated 4 June 2007 the Company has appointed Dato' Shamsir Bin Omar as non-executive Director of the Company. Dato' Dr. Shamsir Bin Omar shall receive a Director's fee of RM36,000 per annum payable monthly in arrears. The appointment is to continue until terminated by either party on the giving of 3 months' written notice.

5.2.3 Pursuant to a letter of appointment dated 4 June 2007 the Company has appointed Mr Kjetil Bohn as a non-executive of the Company. Mr Bohn shall receive a Director's fee of £20,000 per annum payable monthly in arrears. The appointment is to continue until terminated by either party on the giving of 3 months' written notice.

5.3 It is estimated that the aggregate remuneration to be paid and benefits in kind to be granted to the Directors for the year ending 31 December 2007, under the arrangements in force at the date of this document, will amount to the sum of approximately £164,400.

## **6. Memorandum and articles of association**

Set out below is a summary of certain provisions of the Articles. Persons seeking a detailed explanation of any provisions of Jersey law or difference between it and the laws of England and Wales, or any other jurisdiction, with which they may be more familiar, should seek specific legal advice.

### ***Share Capital***

Subject to the provisions of the Law and the Articles, any special rights attached to any existing shares and where applicable, the AIM Rules:

- (a) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine; and
- (b) the Company may issue fractions of shares and any such fractional shares shall rank *pari passu* in all respects with the other shares of the same class issued by the Company.

Subject to the Law and the Articles relating to authority, pre-emption rights or otherwise, any direction that may be given by the Company in general meeting by way of an ordinary resolution and, where applicable, the AIM Rules and without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, all unissued shares shall be at the disposal of the Board of Directors which may allot (with or without conferring a right of renunciation) or otherwise dispose of them to such persons, at such times and on such terms as the Board thinks proper, with full power to issue to any persons securities to subscribe for any class of shares on such terms as the Board thinks fit, but so that no shares shall be issued at a discount, save as may be permitted by the provisions of the Law and, where applicable, the AIM Rules.

Except in the circumstances mentioned in the Articles, the Board shall obtain the consent of the Company in general meeting by way of an ordinary resolution prior to allotting, issuing or granting:

- (a) shares;
- (b) securities convertible into shares; or
- (c) options, warrants or similar rights to subscribe for any shares or such convertible securities.

No such consent shall be required:

- (a) for shares or other securities allotted in pursuance of an employees' share scheme; or
- (b) for the allotment, issue or grant of shares or securities pursuant to an offer made to the Shareholders and, where appropriate, to holders of other equity securities of the Company entitled to be offered them, *pro rata* (apart from fractional entitlements) to their existing holdings in the Company. For the purposes of such allotment, issue or grant, the Board may on any occasion determine that such allotment, issue or grant shall not be made available or made to any Shareholder with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such shares or securities would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Shareholders affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Shareholders for any purpose whatsoever; or

- (c) if, but only to the extent that, the existing Shareholders have by ordinary resolution in general meeting given a general mandate to the Directors of the Company, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such shares or other securities or to grant any offers, agreements or options which would or might require shares or other securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of shares and other securities allotted or agreed to be allotted must not exceed the aggregate of thirty per cent. (30%) of the then existing issued share capital of the Company plus the number of such securities repurchased by the Company itself since the granting of the general mandate.

#### *Lien*

The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of the Articles. The Company's lien on a Share shall extend to any amount payable in respect of it.

Without prejudice to the provisions of the Articles providing for the forfeiture or surrender of shares, the Company may sell in such manner as the Directors may determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been given to the holder of such shares or, where required by law, to the person entitled to it, demanding payment and stating that, if the notice is not complied with, the shares may be sold.

A person any of whose shares have been sold pursuant to the Articles shall cease to be a shareholder in respect of them and shall deliver to the Company for cancellation the certificate for the shares sold (if any) but shall remain liable to the Company for all moneys which, at the date of sale, were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before such sale or at such rate not exceeding 10 per cent. per annum as the Directors may determine from the date of sale until payment provided that the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of sale or for any consideration received on their disposal.

The net proceeds of the sale after payment of the costs shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue shall (upon delivery to the Company for cancellation of the certificate or certificates for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### *Interests in Shares*

Where a person either to his knowledge acquires an interest in Ordinary Shares or ceases to be interested in Ordinary Shares or becomes aware that he has acquired an interest in Ordinary Shares or that he has ceased to be interested in Ordinary Shares in which he was previously interested, he is under an obligation to disclose to the Company with respect to his interests (if any) in Ordinary Shares.

Any person who acquires Ordinary Shares such that he holds 3 per cent. or more of the issued Ordinary Shares is under a duty to disclose his interest in Ordinary Shares at the time:

- (a) his interest in Ordinary Shares becomes greater than 3 per cent. of the issued Ordinary Shares;
- (b) his interest in Shares falls below 3 per cent. of the issued Ordinary Shares; and
- (c) at any time during the period when his interest in the issued Ordinary Shares is greater than 3 per cent, when he acquires or disposes of, in either one or more transactions such that the increase or decrease (as the case may be) in his interest is, taken on an aggregate basis, 1 per cent. or more of the issued Ordinary Shares.

A person is taken to have an interest in Ordinary Shares in respect of the issued Ordinary Shares held by:

- (a) any person or persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of Ordinary Shares or otherwise to obtain or consolidate control of or influence over the Company for any purpose connected with the holding of Ordinary Shares ("Concert Party");
- (b) (in relationship to a company, partnership or other entity) any company, partnership or entity which is a subsidiary or holding company or under common control with the first company, partnership or other legal entity and includes all Directors and officers of any such entities or any person who is able to direct, control or influence any such entity and, in respect of the first entity, any Director, officer, shareholder or person who is able to direct, control or influence such entity ("Associated Entity"); and
- (c) his or her spouse, children, step children, parents, grandparents, brothers and sisters and trusts of which that individual or any other aforementioned persons is a beneficiary ("Related Person")

(Concert Party, Associated Entity and Related Person together a "Connected Person")

and for the purposes of the Articles, Ordinary Shares of a particular class held by a Connected Person are aggregated with and count towards the relevant 3 per cent. disclosure thresholds in respect of the relevant Shareholder. For the avoidance of doubt, a Connected Person is not relieved of its obligation to disclose an interest in Ordinary Shares in respect of its own shareholding.

Where notification of an interest in Ordinary Shares is required, it must be provided to the Company in writing and must be made within 2 days following the day on which the obligation to disclose arises. The notification must specify the class of share capital to which it relates and must also state the number of Ordinary Shares comprised in that share capital in which the person making the notification knows he has a disclosable interest immediately after the time when the obligation to disclose arose or, in the case where a person no longer has a notifiable interest in Ordinary Shares, that he no longer has such an interest. A notification shall include the identity of each registered holder of the Ordinary Shares to which the notification relates and the number of Ordinary Shares held by each of them.

The Company may, by issuing a notice in writing in such form as the Directors may from time to time approve (a "Disclosure Notice"), require a Shareholder to disclose the nature of his interest in a relevant shareholding in the Company.

The Company may issue a Disclosure Notice to any Shareholder at any time and the member shall be obliged to respond in writing confirming such details as the Disclosure Notice requires within 14 days of receipt of the Disclosure Notice.

In the event that a Shareholder fails to make the appropriate disclosures in accordance with the Articles, to the extent permissible under the Companies Law, the Directors may, by notice in writing and in their sole discretion, suspend voting and/or dividend rights, for a period of up to [one year] from the date such failure to disclose came to the Board's attention. Any dividends declared and paid in such period shall be withheld by the Company and shall be payable without interest as soon as reasonably practicable upon compliance. Shareholders whose voting rights have been suspended shall be entitled to receive notice of all general meetings of the Company but shall not be entitled to vote at the relevant general meetings. All resolutions passed at such general meetings shall be valid and binding, notwithstanding the suspension of voting rights.

The Directors may be required to exercise their powers to issue a Disclosure Notice on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as carries at that date the right of voting at general meetings of the Company.

#### *Takeover provisions*

Pursuant to the Articles, a person must not:

- (a) acting by himself or with persons determined by the directors to be acting in concert with him, seek to acquire shares in the Company which, taken together with shares held or acquired by persons

determined by the directors to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to the shares in the Company; or

- (b) acting by himself or with persons determined by the directors to be acting in concert with him, and holding not less than 30 per cent. but not more than 50 per cent., of the voting rights attributable to shares, and seek to acquire, by himself or with persons determined by the directors to be acting in concert with him, additional shares which, taken together with the shares held by the persons determined by the directors to be acting in concert with him, increase his voting rights, except (in the case of (a) or (b) above) as a result of a “permitted acquisition” meaning an acquisition either consented to by the directors, or made in compliance with Rule 9 of the Code, or arising from the repayment of a stock borrowing arrangement); or
- (c) effect or purport to effect an acquisition which would breach or not comply with Rules 4, 5, 6 or 8 of the Code, if the Company were subject to the Code.

Where the directors have reason to believe that a breach of the above has taken place, then the Company may take all or any of the following actions:

- (i) require the person(s) appearing to be interested in the shares of the Company to provide such information as the directors consider appropriate;
- (ii) make any determination under the relevant Articles as they think fit, either after calling for submissions by the relevant person(s) or without calling for any;
- (iii) determine that the voting rights attached to such shares in breach of the Articles, (the “Excess Shares”), are from a particular time incapable of being exercised for a definite or indefinite period;
- (iv) determine that some or all of the Excess Shares are to be sold;
- (v) determine that all or some of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
- (vi) take such actions as they think fit for the purposes of the relevant Articles including prescribing rules not inconsistent with such Articles, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations or interim determinations, executing documents on behalf of a shareholder, paying costs and expenses out of proceeds of sale, and changing any decision or determination or rule previously made.

#### *Transfer of shares*

The Company may permit the holding in uncertificated form of one or more classes of shares determined by the Directors for this purpose in order that the transfer of title to any such Shares may be effected by means of a computer system in accordance with the Jersey Regulations provided that the register shall be held in Jersey pursuant to the Law.

Unless and until the Directors determine that one or more classes of shares may be held in uncertificated form, the shares shall be issued in certificated form and all the provisions of the Articles relating to the issue, holding and surrender of certificates and transfer and transmission of certificated Shares shall apply to the same. All of such provisions shall also apply to any shares of a class which the Directors have determined may be held in uncertificated form but where with the approval of the Directors the holder of the relevant shares has notified his wish to hold the relevant holding of Shares in registered certificated form.

#### *Transmission of shares*

If a Shareholder dies, the survivor or survivors (where he was a joint Shareholder) and his personal representatives (where he was a sole Shareholder or the only survivor of joint Shareholders) or the guardian of an incompetent member or the trustee of a bankrupt member, shall be the only persons recognised by the Company as having any title to his interest provided that nothing herein contained shall release the estate of a deceased Shareholder from any liability in respect of any share which had been jointly held by him.

A person becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Shareholder may, upon such evidence being produced as the Directors may properly require including but not limited to probate of the will, or letters of administration of the estate, or confirmation as executor or of the appointment of a guardian, elect either to become the Shareholder of such share or to make such transfer thereof as the deceased, bankrupt or incapacitated Shareholder could have made. If he elects to become the Shareholder, he shall give notice to the Company to that effect. If he elects to transfer the share, he shall execute an instrument of transfer of the share to the transferee. All of the provisions of the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Shareholder and the death, bankruptcy or incapacity of the Shareholder had not occurred.

A person becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Shareholder shall have the rights to which he would be entitled if he were the Shareholder of such share save that he shall not before being registered as the Shareholder be entitled in respect of it to be sent any notice given pursuant to the Articles (unless specifically provided for) or to attend or vote at any general meeting or at any separate meeting of the Shareholders of that class of shares in the Company.

#### *General Meetings*

The Company shall hold a general meeting as its annual general meeting once in every calendar year at such time and such place as may be determined by the Directors and so that not more than eighteen months shall be allowed to elapse between any two such general meetings provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.

The above mentioned general meeting shall be called the "Annual General Meeting". All other general meetings shall be called "Extraordinary General Meetings".

The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on a requisition made in accordance with the Law in writing and signed by members holding in the aggregate not less than one-tenth in nominal value of the shares carrying the right to vote at the meeting.

#### *Notice of General Meetings*

An Annual General Meeting or an Extraordinary General Meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an Annual General Meeting, by all of the Shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. of the total voting rights of the Shareholders who have that right.

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all Shareholders, to all persons recognised by the Directors as having become entitled to a Share following the death, bankruptcy or incapacity of a Shareholder and to the Directors and auditor (if any).

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

#### *Proceedings at general meetings*

No business shall be transacted at any meeting unless a quorum is present. The quorum shall be:

- (a) if all the issued shares are held by the same Shareholder, one person being such Shareholder present in person or by proxy; and
- (b) otherwise, two persons entitled to vote upon the business to be transacted, each being a Shareholder present in person or by proxy.

If such a quorum is not present within half an hour from the time appointed for the meeting or if, during a meeting, such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such day, time and place as the chairman may determine (such day and time not being more than 14 days hence) and, if at such adjourned meeting, a quorum is not present within five minutes from the time appointed for the holding of the meeting, those Shareholders present in person or by proxy shall be a quorum.

Any Shareholder may participate in a general meeting by means of a conference telephone, internet instant communication, or similar communications equipment whereby all of the Shareholders participating in the general meeting can hear each other (or in the case of internet communication, view each other's words) and the Shareholders participating in this manner shall be deemed to be present in person at such meeting for all the purposes of the Articles.

If the place specified in the notice convening a meeting as the place of the meeting hereinafter called the "Specified Place") is inadequate to accommodate all Shareholders entitled to attend who wish to do so, then provided that the following requirements are satisfied the meeting shall be duly constituted and its proceedings valid. These requirements are that the chairman of the meeting is satisfied that adequate facilities are available to ensure that any Shareholder who is unable to be accommodated in the Specified Place is nonetheless able to participate in the business for which the meeting has been convened, to hear all persons present who speak thereat (whether personally or by microphones or loudspeakers or otherwise) whether in the Specified Place itself or elsewhere, and to be in like manner heard himself by all other Shareholders present. If the Specified Place is inadequate to accommodate all Shareholders entitled to attend and who wish to do so then the chairman may, in his absolute discretion, adjourn the meeting and the chairman of the meeting shall have power to specify some other place for holding the meeting, notwithstanding that by reason of such adjournment some Shareholders may be unable to be present at such adjourned meeting. Any such Shareholder may nevertheless execute a form of proxy for the adjourned meeting and if he shall do so and shall deliver the same to the chairman of the meeting or to the Secretary or to a member of the Auditors, such proxy shall be valid notwithstanding that it is given at less notice than would otherwise be required under the Articles.

If a notice signed by the Shareholders of more than half the issued Shares of the Company, appointing a person to be chairman of the meeting, is presented at the beginning of the meeting, then such person shall be nominated as chairman of the meeting. In absence of such notice, the chairman, if any, of the Board of Directors or, in his absence, some other Director nominated by the Directors shall preside as chairman of the meeting but, if neither the chairman nor such other Director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be Chairman.

If no Director is willing to act as chairman, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Shareholders present and entitled to vote shall choose one of their number to be chairman.

A Director or a representative of the auditor (if any) shall, notwithstanding that he is not a Shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the Shareholders of any class of Shares.

The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at an adjourned general meeting other than business which might properly have been transacted at such meeting had the adjournment not taken place. No notice of any adjourned meeting need be given save that, when a general meeting is adjourned for 14 days or more, at least seven clear days'

notice shall be given specifying the day, time and place of the adjourned meeting and the general nature of the business to be transacted.

A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Law, a poll may be demanded:

- (a) by the chairman; or
- (b) by at least two Shareholders having the right to vote on the resolution; or
- (c) by a Shareholder or Shareholders representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote on the resolution; or
- (d) by a Shareholder or Shareholders holding shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and a demand by a person as proxy for a Shareholder shall be the same as a demand by the Shareholder.

#### *Votes of Shareholders*

Subject to any rights or restrictions attached to any Shares, on a show of hands, every Shareholder who is present in person shall have one vote and, on a poll, every Shareholder present in person or by proxy shall have one vote for every share of which he is the Shareholder.

In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and seniority shall be determined by the order in which the names of the Shareholders stand in the register of members of the Company.

#### *Corporations acting by representatives*

Any corporation which is a Shareholder may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting or at any meeting of any class of Shareholders, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were a natural person who is a Shareholder. A corporation present at any meeting by such representative shall be deemed for the purposes of the Articles to be present in person.

#### *Resolutions in Writing*

Anything that may, in accordance with the provisions of the Law, be done by a resolution in writing signed by or on behalf of each Shareholder or a majority thereof is authorised by the Articles without any restriction. Any such resolution may consist of several documents in the like form signed by one or more Shareholders or their attorneys and signature in the case of a corporate body which is a Shareholder shall be sufficient if made by a Director thereof or its duly appointed attorney.

The Directors may determine the manner in which resolutions shall be put to Shareholders pursuant to the terms of the Articles and, without prejudice to the discretion of the Directors, provision may be made in the form of a resolution in writing for each Shareholder to indicate how many of the votes which he would have been entitled to cast at a meeting to consider the resolution he wishes to cast in favour of or against such resolution or to be treated as abstentions and the result of any such resolution in writing need not be unanimous and shall be determined upon the same basis as on a poll.

#### *Number of Directors*

The number of Directors (other than alternate Directors) shall not be more than twelve (or such other amount as may be approved from time to time by the Company by ordinary resolution) and shall be not less than two.

### *Alternate Directors*

Any Director (other than an alternate Director) may appoint any other Director, or any other person, to be an alternate Director and may remove from office an alternate Director so appointed by him.

An alternate Director shall be entitled to attend, participate in, be counted towards a quorum and vote at any meeting of Directors and any meeting of committees of Directors of which his appointer is a member at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. It shall not be necessary to give notice of such a meeting to an alternate Director.

An alternate Director shall cease to be an alternate Director if his appointer ceases to be a Director.

Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

### *Powers of Directors*

Subject to the provisions of the Law, the Memorandum, the Articles, the AIM Rules and any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company in any part of the world.

No alteration of the Memorandum or the Articles and no direction given by special resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

The powers given by the Articles shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### *Delegation of Director's powers*

The Directors may delegate any of their powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons, provided that a majority of the members of the committee shall be Directors. No resolution of a committee shall be effective unless a majority of those present when it is passed are Directors. The Directors may also delegate to any managing Director of the Company or any other Director (whether holding any other executive office or not) such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions that the Directors may impose, either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

### *Appointment of Directors*

The first Directors shall be determined in writing by the subscribers to the Memorandum, or a majority of them.

The Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, provided that such appointment does not cause the number of Directors to exceed any number determined in accordance with the Articles.

The Company may from time to time, by ordinary resolution, or by notice to the Company in writing deposited at the office and signed by the Shareholder of more than half the issued Shares of the Company, suspend, whether temporarily or indefinitely, the power of the Directors specified under the Articles.

The Company may by ordinary resolution, or by notice in writing signed by the Shareholders of more than half the issued shares of the Company and deposited at the office, appoint any person as a Director.

A Director shall not require a share qualification, but shall (whether he holds a share or not) be entitled to attend and speak at any general meeting of, or at any separate meeting of the Shareholders of any class of shares.

*Disqualification, removal and resignation of Directors*

The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Law or the AIM Rules or becomes prohibited by law or the AIM Rules from, or is disqualified from, being a Director; or
- (b) he resigns his office by notice to the Company left at the office; which notice shall be effective upon such date as may be specified in such notice, failing which upon delivery, to the office; or
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (d) the Company so resolves by ordinary resolution; or
- (e) is asked to resign by notice in writing signed by each of the other Directors; or
- (f) is or has been suffering from mental ill health and the Directors resolve that his office be vacated; or
- (g) is removed by notice to the Company in writing signed by the Shareholders of more than half the issued Shares of the Company and deposited at the office.

Subject to the provisions of the Articles:

- (a) All Directors shall submit themselves for election by the Shareholders at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election. At each Annual General Meeting, the Directors subject to retirement in accordance with the Articles shall retire from office. A Director retiring at such meeting shall retain office until the dissolution of such meeting and accordingly on retiring a Director who is re-elected or deemed to have been re-elected pursuant to the Articles will continue in office without a break.
- (b) The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and any Director who has been, or who by the time of the next annual general meeting will have been, in office for three years. In so far as the number of Directors retiring as calculated above is less than one-third of the Directors or if their number is not three or a multiple of three the number nearest to but not exceeding one-third of the Directors, the Directors who have been longest in office shall also retire. As between two or more Directors who have been in office an equal length of time, the Directors to retire shall in default of agreement between them be the Director(s) most senior in age. The length of time a Director has been in office shall be computed from the date of his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to the Articles) fill up any other vacancies.

### *Remuneration of Directors*

The Directors (including non-executive Directors) shall be entitled to such remuneration as the Company may by ordinary resolution determine or in accordance with such agreements relating to the provision of the services of the Directors as shall be entered into by the Company from time to time and, unless such resolution or agreement provides otherwise, the remuneration shall be deemed to accrue from day to day.

### *Directors expenses*

The Directors (including non-executive Directors) shall be paid out of the funds of the Company their travelling and other expenses properly and necessarily expended by them in attending meetings of the Directors (or of committees appointed pursuant to the Articles or members or otherwise on the affairs of the Company). They shall also be paid by way of remuneration for their services such sum as the Directors shall determine subject to any rates or limits (if any) fixed by the Company in general meeting.

If any of the Directors shall be appointed agent or to perform extra services or to make any special exertions or to go or reside abroad for any of the purposes of the Company the Directors may remunerate such Director accordingly by either a fixed sum or by commission or participation in profits or otherwise or partly in one way and partly in another as they think fit. Such remuneration may be either in addition to or substitution for his remuneration provided for in the Articles.

### *Director's appointments*

Subject to the provisions of the Law, the Directors may appoint one or more of their number to the office of managing Director and/or chief executive officer of the Company or to any other executive office in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such Director.

The Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) revoke, withdraw, alter or vary all or any of such Directors powers or appointment.

The Directors may from time to time, and at any time, pursuant to the Articles appoint any other persons to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory Director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of the Articles or of the Law, and accordingly shall not be a member of the board of Directors or (subject to the Articles) of any committee thereof, nor shall he be entitled to be present at any meeting of the Directors or of any such committee, except at the request of the Directors or of such committee, and if present at such request he shall not be entitled to vote thereat.

### *Director's gratuities and pensions*

The Directors may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business or of any company which is a holding company or a subsidiary of the Company or who may be or have been Directors or officers of the Company or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the Company or any such other company, and the wives, husbands, widowers, widows, families and dependants of any such persons. Any Director who holds or has

held any such executive position or agreement for service shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments.

The Board may also establish and maintain any employees' share scheme, share option or share incentive scheme whereby selected employees of the Company or of any company which is a subsidiary of the Company are given the opportunity of acquiring shares in the capital of the Company on the terms and subject to the conditions set out in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including officers) of the Company and lend money to such trustees or employees to enable them to purchase such shares provided that if any shares are to be issued to employees or trustees under the provisions of any such scheme pursuant to which the rights attaching to such shares shall be altered or varied then any such scheme shall be approved by special resolution and the Articles shall be deemed to be altered so far as appropriate by the special resolution approving such scheme.

#### *Dividends*

The Company in general meeting may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors in accordance with the respective rights of the Shareholders and the declaration of the Directors as to the amount of the profits shall be conclusive.

The Directors may from time to time pay to the Shareholders such interim dividends as appear to the Directors to be justified by the profits of the Company. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the Shareholders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

No dividend shall be paid otherwise than out of profits and in accordance with the provisions of Article 114 of the Law.

Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls.

All dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any Share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date (either past or future) such share shall rank for dividend accordingly.

The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at their discretion be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

The Directors may deduct from any dividend payable to any Shareholders all such sums of money (if any) as may be due and payable by him to the Company on account of calls or otherwise.

If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend payable on the share.

Notice of any dividend that may have been declared shall be given in the manner set out in the Articles, to the person entitled to share therein.

No dividend shall bear interest against the Company.

#### *Borrowing powers and granting security*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other debt securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale. Payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures or securities to exchange the same for shares in the Company of any class authorised to be issued.

#### *Winding up*

Subject to the claims of any secured creditors and to the provisions of any enactment as to preferential payments the Company's property shall on winding up be realised and applied in satisfaction of the Company's liabilities *pari passu* and subject thereto any surplus shall then be distributed amongst the Shareholders according to their rights and interests in the Company. Subject to the rights of the Shareholders of shares issued upon special conditions if the assets available for distribution to Shareholders shall be insufficient to pay the whole of the paid up capital such assets shall be shared on a *pro rata* basis amongst Shareholders by reference to the number of fully paid up shares held by each Shareholder respectively at the commencement of the winding up.

If the Company shall be wound up the liquidator or where there is no liquidator the Directors may with the sanction of a special resolution divide amongst the Shareholders *in specie* any part of the assets of the Company or vest the same in trustees upon such trusts for the benefit of the Shareholders as the liquidator or the Directors (as the case may be) with the like sanction shall think fit.

#### *Indemnity*

Every Director, Secretary, agent, servant and employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay the costs, charges, losses, liabilities, damages and expenses which any such person may incur in the course of the discharge by him of his duties as Director, Secretary, agent, servant, or employee of the Company as the case may be provided that this indemnity shall not be applicable in circumstances where any such person has incurred such costs, charges, losses, liabilities, damages and expenses through his own fraud wilful misconduct or gross negligence.

In so far as the Law and, where applicable, the AIM Rules allow every present or former officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

Pending the determination of any proceedings against any such Directors or officers, the Company shall be entitled to lend such amount of money and upon such terms and conditions (including interests (if any)) as the Board shall determine to the relevant Director or officer for the purposes of funding his defence against any claims. Any loans from the Company shall be subject to compliance by the Company of the provisions of the Law and the AIM Rules.

## **7. Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business of the Company, have been entered into by the Company in the two years immediately preceding the date of this document and are or may be material:

### **7.1 *Nominated Adviser and Broker Agreement***

Under an agreement dated 29 June 2007 between HB Corporate, the Company and the Directors, HB Corporate has agreed to act as the Company's Nominated Adviser and Broker for the purpose of the AIM Rules (the "Nominated Adviser and Broker Agreement").

Under the Nominated Adviser and Broker Agreement, the Company has agreed to pay HB Corporate a fee of £35,000 per annum together with any applicable VAT thereon. Such annual fee shall be payable quarterly in advance with the first such payment being due and payable on Admission. This agreement is terminable on ninety days' written notice, such notice not to expire earlier than the first anniversary of Admission. HB Corporate may nevertheless terminate this agreement at any time if the Company or the Directors are in breach of their obligations under the Nominated Adviser and Broker Agreement.

The Nominated Adviser and Broker Agreement contains warranties, indemnities and undertakings given by the Company to HB Corporate.

### **7.2 *Placing Agreement***

Under the Placing Agreement, HB Corporate has been appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Pursuant to the Placing Agreement, the Company and its Directors have given certain warranties to HB Corporate regarding, *inter alia*, the accuracy of information in this document. The Placing is not being underwritten. The Placing Agreement is conditional, *inter alia*, on Admission taking place no later than 4 July 2007 or such later date as may be agreed by HB Corporate (being no later than 18 July 2007), and the Company and the Directors complying with certain obligations under the Placing Agreement. Under the Placing Agreement, the Company has agreed to pay to HB Corporate a corporate finance fee of £125,000 and a commission of 5 per cent. of the aggregate value of the Placing Shares at the Placing Price for which subscribers are procured by HB Corporate and a commission of 1 per cent. of the aggregate value of the Placing Shares at the Placing Price for which subscribers are procured by the Company.

The Placing Agreement contains undertakings given by the Directors to the Company and HB Corporate pursuant to which the Directors agree not to dispose of any Ordinary Shares held by them for a period of twelve months from Admission without the prior written consent of HB Corporate. The agreement also contains certain orderly market provisions which apply for a further twelve months after the expiry of the lock-in period.

### **7.3 *Lock-in Agreement***

Pursuant to an agreement dated 29 June 2007 between HB Corporate, the Company and Thornbeam, Thornbeam has undertaken to the Company and HB Corporate not to dispose of 85 per cent. of the Ordinary Shares held by it for a period of twelve months from Admission without the prior written consent of HB Corporate. The agreement also contains certain orderly market provisions which apply for a further twelve months after the expiry of the lock-in periods.

### **7.4 *Profit Guarantee Agreement***

Pursuant to an agreement dated 21 June 2006 between MobilityOne Malaysia, Hussian @ Rizal Bin A.Rahman and Emran Bin Sidop and Wajamalia Binti Lapasa Lasamadi which supplemented the earlier agreements made between MobilityOne Malaysia and Emran Bin Sidop and Wajamalia Binti Lapasa Lasamadi in relation to the acquisition of Netoss by MobilityOne Malaysia, Hussian @ Rizal

Bin A. Rahman has agreed to guarantee the profit of Netoss to MobilityOne Malaysia for RM6.0 million over three years.

## **8. Litigation**

There are no governmental, legal or arbitration proceedings (including, to the knowledge of the Company, any such proceedings which are pending or threatened by or against any company in the Group) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Group.

## **9. Working capital**

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

## **10. Related Party Transaction**

10.1 MobilityOne Malaysia has entered into various agreements with GHL which are related party transactions. A summary of these agreements is as follows:

- (a) A Novation Agreement dated 1 December 2005 made between DiGi (“Network Operator”), GHL (“Assignor”) and MobilityOne Malaysia (“Assignee”). The parties agree to novate the Distributor Agreement for the distribution of the Network Operator’s prepaid airtime dated 29 April 2002 made between the Network Operator with the Assignor (“Distributor Agreement”) wherein the Assignor assigns to the Assignee absolutely all whatsoever rights title interest and obligations vested in the Assignor by under and pursuant to the Distributor Agreement with effect from 1 September 2005.
- (b) A Novation Agreement dated 1 April 2005 between Telekom, GHL and MobilityOne Malaysia in relation to the Distribution Agreement between Telekom and GHL dated 1 September 2004, appointing MobilityOne Malaysia as a distributor of TM’s prepaid calling card services in Malaysia. The effective date of the Novation Agreement commences on 1 April 2005. The tenure of the Distribution Agreement has been renewed for a further term of one year on 1 January 2007, via a letter dated 9 January 2007 from Telekom.
- (c) A Novation Agreement dated 1 October 2005 between e-Cosway, GHL and MobilityOne Malaysia in relation to the Agreement between e-Cosway.com and GHL dated 18 March 2004, appointing MobilityOne Malaysia as a partner merchant of e-Cosway in Malaysia.
- (d) A Management Agreement dated 10 February 2006 between GHL and MobilityOne Malaysia appointing MobilityOne Malaysia as project manager in relation to a project secured by GHL under a Service Level Agreement dated 26 September 2005 made between GHL and MEPS.
- (e) A Tripartite Agreement dated 18 November 2005 between GHL and MobilityOne Malaysia and Card Pay Sdn. Bhd. relating to the promotion of “Mr Kiosk” terminals.
- (f) A Hosting Agreement dated 1 April 2006 between GHL and MobilityOne Malaysia, pursuant to which MobilityOne Malaysia has agreed to place a database server, two application servers and a web server in GHL’s premises and GHL has agreed to provide server hosting facilities to MobilityOne Malaysia for a monthly charge of RM2,000 to GHL for a duration of three years, renewable for a period of one year unless either party gives six months’ prior written notice.
- (g) MobilityOne Malaysia incurred a fee of RM520,000 in connection with the upgrading of software for the EDC terminals during the FYE 31 March 2006. Furthermore, MobilityOne Malaysia incurred RM212,445 in connection with the maintenance of EDC and self-service terminals during the nine month financial period ended 31 December 2006. Both of these services were rendered by GHL on an *ad-hoc* basis, and not under any written agreements.

- 10.2 A Profit Guarantee Agreement dated 21 June 2006 between Emran Bin Sidop and Wajamalia Binti Lapasa Lasamadi (“the Vendors”) and MobilityOne Malaysia and Hussian @ Rizal Bin A. Rahman. This Agreement relates to the earlier Sale and Purchase Agreement dated 31 March 2005 made between the Vendors of NETOSS and MobilityOne Malaysia and the Supplemental Agreement dated 19 December 2005 made between the same parties, whereby the Vendors agreed to guarantee certain net profit before licence fees of NETOSS to MobilityOne Malaysia. In the Profit Guarantee Agreement, Hussian @ Rizal Bin A. Rahman agreed to discharge the Vendors’ obligations under the said Agreements and to assume fully the said obligations and further to make good any shortfall in the net profit of NETOSS to MobilityOne Malaysia.
- 10.3 Netoss has entered into various agreements with LMS Technologies (M) Sdn. Bhd. (“LMS”), a related party by virtue of the spousal relationship between Hussian @ Rizal Bin A. Rahman and Kasmi binti Kassim, the latter of whom is a director and substantial shareholder of LMS. A summary of these agreements is as follows:
- (a) Two Purchase Orders, each dated 11 December 2004, from LMS to Netoss in relation to the provision of high speed internet routers for the development and integration of the ABOSSE™ solution with an internet provider's system in return for respective payments of RM1,948,449.06 and RM1,764,968.29. Both orders were completed on 10 March 2006.
  - (b) A Purchase Order dated 15 December 2004 from LMS to Netoss for the development and integration of the ABOSSE™ solution on its performance management system in return for the payment of RM1,389,703.70. The completion date for the order is 15 December 2007.
  - (c) A Purchase Order dated 1 July 2005 from LMS to Netoss for annual maintenance and support in return for the payment of RM500,000.00. The order was completed on 30 June 2006.
- 10.4 A Share Swap Agreement dated 22 June 2007 was entered into between the shareholders of MobilityOne Malaysia and the Company, details of which are contained in paragraph 2.6.4 above. The transaction constituted by this agreement is a related party transaction as Hussian @ Rizal bin A. Rahman and Dato’ Shamsir bin Omar are Directors of the Company and were both substantial shareholders in MobilityOne Malaysia.

## **11. The Share Option Plan**

The Company has established in connection with Admission the Share Option Plan, details of which are set out in this paragraph.

### ***Summary of the principal features of the Share Option Plan***

#### ***11.1 Eligible employees***

At the discretion of the Board, any person who is an employee or executive director of the Company and/or any company in which the Company holds at least 50 per cent. of the issued share capital whether directly or via other companies, or over which the Company otherwise has control is eligible to participate in the Scheme.

#### ***11.2 Grant of options***

The Board may grant options to subscribe for Ordinary Shares (the “Options”) within the period of 42 days commencing on: (i) the day following the day on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period; (ii) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Options; (iii) the date of adoption of the Scheme, except for Admission Options which will be granted prior to the Admission. No Option may be granted later than 10 years from the date of adoption of the Scheme. No consideration is payable for the grant of an option.

### 11.3 *Non-transferability*

Each Option shall be personal to the Option holder to whom it is granted and other than on the Option holder's death shall not be transferable.

### 11.4 *Restrictions and basis of the granting of Options*

No Option may be granted under the Share Option Plan if, as a result, the aggregate number of Shares issued and issuable pursuant to Options granted under the Scheme, or under any other employees' share plan adopted by the Company in general meeting would in any period of 10 years exceed 10 per cent. of the issued ordinary share capital of the Company in issue on the proposed date of grant.

### 11.5 *Exercise price*

The exercise price at which Options may be exercised:

- (i) The average of the mid-market price for the last 3 days on which the Shares were traded on AIM prior to the date of grant; or
- (ii) The Placing Price for the Options granted prior to Admission.

### 11.6 *Lapse of Options*

An Option will lapse five years after it has been granted. Any Option which has not been exercised by an Option holder shall lapse if the Board at its discretion allows the Option to remain exercisable if the cessation of employment occurs as a result of certain good leaver provisions.

### 11.7 *Exercise of Options*

Options will ordinarily not be exercisable until the first anniversary of grant, as to 50 per cent. of the Shares under option, and the second anniversary of grant as to the remaining 50 per cent..

### 11.8 *Rights Attaching to Shares*

Shares issued on exercise of an Option will rank *pari passu* with all other issued shares of the company with the exception of rights determined by reference to a date preceding the date of exercise.

### 11.9 *Exchange of Options*

On a change of control by way of a general offer, the Share Option Plan permits the exchange of Options for Options in the acquirer as an alternative to exercise.

### 11.10 *Expenses*

Any expenses of the Company involved in any issue of Shares in the name of any Option holder or his personal representative or nominee shall be payable by the Company.

### 11.11 *Termination*

The Company in general meeting or the Board may at any time resolve to terminate the Share Option Plan in which event no further Options shall be granted.

## **12. Intellectual Property Rights**

12.1 Save as disclosed in this document, the Company does not have any registered intellectual property rights. MobilityOne Malaysia has registered "ABOSSE™" as a trademark and has applied for the registration of "MoCS™", "MobilityOne™" and "onepoint™" as trademarks in each case in Malaysia. Further particulars of these applications and registrations are summarised as follows:

(A) **Trademarks**

<i>Trademark</i>	<i>Particulars of Trademark (Trademark No. &amp; Class)</i>	<i>Registering Authority &amp; Country</i>	<i>Date of Application/ Registration and Expiry Date</i>	<i>Registered Proprietor</i>	<i>Status</i>
	06000677 (class 42)	Trade Marks Registry Malaysia	N/A	MobilityOne Malaysia	Approved on 16 January 2007
	06016123 (class 9)	Trade Marks Registry Malaysia	4 August 2006	MobilityOne Malaysia	Pending
	06016124 (class 38)				
	06016120 (class 9)	Trade Marks Registry Malaysia	4 August 2006	MobilityOne Malaysia	Pending
	06016121 (class 38)				
	06016122 (class 42)				
	07006869 (class 42)	Trade Marks Registry Malaysia	18 April 2007	MobilityOne Malaysia	Pending

(B) **Copyrights**

<i>Nature of Copyrighted Work</i>	<i>Name of Work</i>	<i>Author*</i>	<i>Owner</i>
Software	MoCS™	– Derrick Chia Kah Wai – Yee Kee Sin – Chin Kee Haw – Azrul Anuar Bin Dul Hayati	MobilityOne Malaysia
Software	ABOSSE™	– Derrick Chia Kah Wai – Yee Kee Sin – Chin Kee Haw – Azrul Anuar Bin Dul Hayati – Yee Kee Chean – Mohd Shalizam Bin Mohd Mustaffa	MobilityOne Malaysia

\*Authors are employees of MobilityOne Malaysia

**13. None of the Group companies:**

- 13.1 have entered into any trade mark licensing arrangement with a third party or each other; or
- 13.2 is using other intellectual property rights without authorisation or licence.

**14. Taxation**

The statements set out below are intended only as a general guide to current aspects of UK, Jersey and Malaysian tax law and practices of the local tax authorities of those countries, as described herein. No statements are made with respect to the tax treatment of the ownership or disposal of Ordinary Shares in any other jurisdiction and Shareholders who are citizens of, or resident or ordinarily resident in, countries other

than the UK, Jersey or Malaysia are strongly encouraged to seek independent professional advice in connection with the local tax consequences of investing in Ordinary Shares.

#### 14.1 *UK Taxation*

This summary is based upon UK law and may be subject to change, perhaps with retrospective effect.

##### *The Company*

The Company intends to conduct its affairs so that, for United Kingdom corporation tax purposes, it will not be regarded as resident within the United Kingdom nor as carrying on a trade through a permanent establishment located in the United Kingdom. On that basis and on the assumption that it has no United Kingdom source income the Company will have no liability in respect of United Kingdom corporation tax on its income or capital gains.

##### *United Kingdom Investors*

The comments set out below are based on the assumption that the Company is not resident for tax purposes in the United Kingdom. The comments set out below are based on existing United Kingdom law and what is understood to be current HM Revenue and Customs practice. They are intended as a general guide only and apply only to persons resident or individuals ordinarily resident for tax purposes in the United Kingdom, who hold Ordinary Shares as an investment and who are the absolute beneficial owners thereof. Potential shareholders who have any concerns as to whether any anti-avoidance provisions may apply to their particular circumstances, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

##### *UK Shareholders:*

###### 14.1.1 *Taxation of dividends*

Shareholders who are resident in the United Kingdom or carrying on a trade in the UK for tax purposes may be liable to United Kingdom income tax or corporation tax on the gross amount of dividend income received from the Company.

No withholding tax will be deducted from dividends paid by the Company.

###### 14.1.2 *UK tax on chargeable gains*

Shareholders who are either resident or ordinarily resident (or temporarily non-resident) in the United Kingdom for tax purposes or Shareholders who carry on a trade in the United Kingdom through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, be subject to United Kingdom capital gains tax or, in the case of corporate shareholders, corporation tax in respect of gains arising from the sale or other disposal (including a disposal on a winding up) of their Ordinary Shares.

An individual Shareholder may be entitled to taper relief which will reduce the amount of chargeable gain according to the length of time for which the Ordinary Shares have been held. Corporate Shareholders may be entitled to an indexation allowance on the base cost of their Ordinary Shares. Neither taper relief nor an indexation allowance can create or increase an allowable loss.

Shareholders who are not resident and not ordinarily resident (and not temporarily non-resident) in the United Kingdom will not normally be subject to United Kingdom taxation on chargeable gains arising on the sale or other disposal of Ordinary Shares.

###### 14.1.3 *Stamp duty and stamp duty reserve tax*

The following comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”) position and do not relate to persons such as market makers,

brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK Stamp Duty or SDRT will be payable on the issue of the Placing Shares. UK Stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next GBP5 of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into the UK. Provided that Ordinary Shares are not registered in any register of the Company kept in the UK any agreement to transfer Ordinary shares should not be subject to SDRT.

#### 14.1.4 *Section 739 UK Taxes Act – Transfer of Assets Abroad*

The attention of individuals ordinarily resident in the UK is drawn to the provisions of Sections 739-745 of the Taxes Act which may render such individuals liable to tax.

#### 14.1.5 *Controlled Foreign Company Legislation*

A UK resident corporate Shareholder should note the provisions of the controlled foreign companies legislation contained in Sections 747-756 of the Taxes Act.

#### 14.1.6 *Section 13 Chargeable Gains Act 1992 (“TCGA”) – Attribution of Gains to Members of Non-resident Companies*

The attention of UK resident and domiciled Shareholders is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to an investor who, alone or together with associated persons is apportioned under Section 13 more than one tenth of the gain.

### 14.2 **Malaysian Taxation**

The following is a summary of certain tax matters arising under the current tax laws of Malaysia relating to the purchase, ownership and disposal of Ordinary Shares. It is accurate at the date of this document. The summary is of a generic and general nature. This does not purport nor is intended to be comprehensive and does not constitute legal or tax advice. Prospective investors should consult their tax advisors regarding Malaysian tax and other tax consequences of purchasing, owning and disposing of Ordinary Shares.

This summary is based on tax laws in effect in Malaysia and on administrative and judicial interpretations thereof as at the date of this document, all of which are subject to change and any change could be retroactive. No assurance can be given that the courts or relevant authorities responsible for the administration of such laws will agree with this interpretation.

#### *The Company*

Companies, whether or not resident in Malaysia, are generally subject to income tax at the rate of 27 per cent. for the year of assessment 2007 on income accruing in or deriving from Malaysia. It has been announced that the tax rate will reduce to 26 per cent. in the Year of Assessment 2008. Prior to the Year of Assessment 2007, the tax rate was 28 per cent.

A Company is resident in Malaysia for tax purposes if its management and control are exercised in Malaysia. Generally, a company is considered resident in Malaysia if the meetings of its board of directors are held in Malaysia, even if the company is not incorporated in Malaysia.

Malaysia adopts the imputation system of taxing corporate income. The income tax paid by a company on its profits is utilised to frank dividends paid to shareholders.

#### 14.2.1 *Capital Gains*

The Malaysian Government has recently announced an exemption on Real Property Gain Tax with effect from 1 April 2007. However, prior to this, a capital gain on disposal of a chargeable

asset is subject to Real Property Gain Tax. Chargeable assets include the following: (i) real properties situated in Malaysia, and (ii) shares held in a real property company (“RPC”). A RPC refers to a controlled company which owns real property or shares or both, the defined value of which is more than 75 per cent. of the value of its tangible assets. A “controlled company” means a company having not more than fifty members and controlled by not more than five persons. The current rates of Real Property Gains Tax range from nil to 30 per cent., depending on the period during which the chargeable assets have been held before disposal and the citizen status of the person.

#### *Malaysian Shareholders*

For tax purposes, an individual is treated as a resident if he is physically present in Malaysia in a particular calendar year for 182 days or more. However, if his period of stay is less, he may still be resident if certain conditions are satisfied. For residents, the rate of tax is levied on a graduated scale on the chargeable income after deduction of reliefs, with the maximum rate being 28 per cent. on the gross income. No reliefs are available to a non resident.

### **14.3 Jersey Taxation**

This summary is based upon Jersey law and may be subject to change.

#### *The Company*

The Company has been granted exempt company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The effect of such special status is that the Company is treated as a non-resident company for the purposes of Jersey tax laws and is therefore exempt from Jersey income tax on its profits arising outside Jersey and, by concession, on bank deposit interest arising in Jersey (and from any obligation to withhold Jersey income tax from any interest or dividend payments made by it). This status is renewable on an annual basis upon payment of a fee to the Comptroller of Income Tax in Jersey, and it is the Company’s intention to maintain this status.

#### *Shareholders*

##### *14.3.1 Taxation of dividends*

The Company is entitled, but not required, to deduct income tax from dividends paid to Shareholders. Shareholders who are tax resident in Jersey will pay no further Jersey income tax on the dividends received by them from the Company. Individual Jersey resident Shareholders may be able to reclaim the Jersey tax suffered by the Company to the extent that their personal tax liability in respect of the dividend is exceeded by the Jersey tax credit associated with the dividend. Corporate Shareholders that are not assessed under Schedule D Case 1 of the Income Tax (Jersey) Law 1961, as amended, and life assurance companies, may also reclaim the Jersey tax suffered by the Company, to the extent that the Shareholders income tax liability after management expenses is exceeded by the Jersey tax credit associated with the dividend.

##### *14.3.2 Taxation of capital gains*

There is no taxation of capital gains in Jersey.

##### *14.3.3 Stamp duty and stamp duty reserve tax*

No Jersey stamp duty or stamp duty reserve tax will be payable on the issue of any of the Shares in the Company. There is no stamp duty payable on the transfer of Shares in the Company whether the transfer is executed in or outside Jersey.

## **15. General**

- 15.1 The total proceeds which it is expected will be raised by the Placing are £1.537 million and the net proceeds after deduction of expenses are estimated at £1.157 million.

- 15.2 The accounting reference date of the Company is 31 December.
- 15.3 The expenses of and incidental to the Admission including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution, are estimated to amount to approximately £330,000 (excluding VAT) together with £50,000 of commissions, all of which will be payable by the Company.
- 15.4 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 15.4.1 received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
- 15.4.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more; or
  - (b) securities in the Company with a value of £10,000 or more; or
  - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 15.5 The financial information contained in Parts III to V of this document does not constitute full statutory accounts as referred to in section 240 of the Act.
- 15.6 Tenon Audit Limited and Tenon Corporate Finance have given and not withdrawn their written consent to the issue of this document with the inclusion of their report and references to their name in the form and context in which they appear.
- 15.7 Dunn & Bradstreet (D&B) Malaysia Sdn. Bhd. has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name and the D&B Report in the form and context in which they appear.
- 15.8 HB Corporate, a trading division of Hoodless Brennan plc, has given and not withdrawn its written consent to the issue of this document with the inclusion of its report and references to its name in the form and context in which they appear.
- 15.9 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Group's activities.
- 15.10 The Placing has not been underwritten or guaranteed by any person.
- 15.11 Save as set out in this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 15.12 The Placing Shares will be issued at 12.5 pence per share, a premium of 10 pence per Ordinary Share above nominal value.
- 15.13 Save as disclosed in this document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 15.14 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 15.15 Save as disclosed in this document, there are no investments in progress which are significant.
- 15.16 Dunn & Bradstreet, whose principal place of business is at Level 9-3A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia, is a leading provider of business information and has prepared the D&B Report at the request of the Group. Dunn &

Bradstreet does not have any material interest in the Company or any Ordinary Shares. Information contained in this document which is stated to have been taken from the D&B Report has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by Dunn & Bradstreet, no facts have been omitted which would render the information reproduced from the D&B Report inaccurate or misleading.

15.17 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

#### **16. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of HB Corporate at 40 Marsh Wall, London, E14 9TP and from the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until at least 30 days after the date of Admission:

- 16.1 the memorandum and articles of association of the Company;
- 16.2 the Accountants' Report set out in Parts III to V of this document;
- 16.3 the D&B Report; and
- 16.4 the Directors' letters of appointment and service contracts referred to in paragraph 5 of this Part VI.

#### **17. Availability of this document**

Copies of this document will be available to the public free of charge from the date of this document until the date which is one month after Admission, from the offices of HB Corporate, 40 Marsh Wall, London E14 9TP during normal business hours (Saturdays and Sundays excepted).

**Dated: 29 June 2007**

