Regulatory Story

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MobilityOne Limited
("**MobilityOne**", the "**Company**" or the "**Group**")

Unaudited interim results for the six months ended 30 June 2014

MobilityOne (AIM:MBO), the e-commerce infrastructure payment solutions and platform provider with its main operations in Malaysia announces its unaudited interim results for the six months ended 30th June 2014.

Highlights:

- revenue increased by 5.5% to £23.5 million (H1 2013: £22.3 million) mainly contributed by the Group's mobile phone prepaid airtime reload business in Malaysia
- operating profit of £0.04 million (H1 2013: operating loss of £0.06 million)
- loss after tax of £0.03 million (H1 2013: £0.12 million)
- discontinued the Group's overseas operations in Cambodia and Indonesia in March 2014 in order to reduce further losses from these operations to the Group
- the Group expects an improved trading performance in the second half of 2014.

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About the Group:

MobilityOne provides e-commerce infrastructure payment solutions and platforms through its proprietary technology solutions, marketed under the brands MoCS and ABOSSE.

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 including EDC terminals, mobile devices, automated teller machines ("**ATM**") and internet banking.

The Group's technology platform is flexible, scalable and designed to facilitate cash, debit card and credit card transactions from multiple devices while controlling and monitoring the distribution of different products and services.

For more information, refer to our website at www.mobilityone.com.my

Chairman's statement

In the first six months of 2014, the Group recorded revenue of £23.5 million, representing an increase of 5.5% as compared to the first half of 2013, which was mainly contributed from the Group's mobile phone prepaid airtime reload business in Malaysia.

In view of the continued losses from the operations in Cambodia and Indonesia, the Group discontinued these operations in March 2014 in order to reduce further losses from these operations to the Group. The disposal of the subsidiary in Indonesia in March 2014 had resulted the impairment loss on the amount due to the holding company of £0.56 million. However, the amount is partially mitigated by the gain on disposal of the subsidiary of £0.35 million.

The Group will continue to grow its existing operations in Malaysia, including the international remittance services in which the Group currently has 6 outlets and several temporary kiosk outlets. The Group's wholly-owned subsidiary in the Philippines has generated small revenues during the period through the provision of an e-payment solution that allows a licensed betting company to collect bets using the Group's mobile payment terminals. The Group will continue to explore business opportunities in the Philippines with the business focus being on electronic payment services.

Financial performance

In the six months ended 30 June 2014, the revenue of the Group increased by 5.5% to £23.5 million (H1 2013: £23.5 million) and the Group recorded an operating profit of £0.04 million (H1 2013: operating loss of £0.06). The higher revenue was mainly due to the improvement in the Group's existing mobile phone prepaid airtime reload business in Malaysia. However, the Group recorded a net loss of £0.03 million (H1 2013: £0.12 million). The impairment loss on the amount due by the loss making subsidiary in Indonesia which was disposed of in March 2014 had contributed to the loss after tax for the Group during the period.

As at 30 June 2014, the Group had cash and cash equivalents of £1.46 million (30 June 2013: cash and cash equivalents of £0.55 million) and the secured loans and borrowings from financial institutions were £1.89 million (30 June 2013: £1.79 million).

Current trading and outlook

The Directors expect an improved trading performance in the second half of 2014, mainly from the Group's mobile phone prepaid airtime reload business. The Group is also currently exploring other business areas to diversify the revenue stream in order to improve the future financial performance.

Post-period end, MobilityOne Sdn Bhd, a wholly-owned subsidiary of the Group, has completed the purchase of a new office near the Kuala Lumpur Convention Centre (KLCC) for a consideration of approximately RM1.80 million (c.£333,550). Further details of this acquisition were announced on 8 August 2014.

Abu Bakar bin Mohd Taib
Chairman

19 September 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

CONTINUING OPERATIONS	Six months Ended 30 June 2014 Unaudited £	Six months Ended 30 June 2013 Unaudited £	Financial year Ended 31 Dec 2013 Audited £
Revenue	23,498,231	22,280,629	51,058,036
Cost of sales	(22,012,162)	(20,916,843)	(47,869,527)
GROSS PROFIT	1,486,069	1,363,786	3,188,509
Other operating income	387,644	56,079	90,133
Administration expenses	(1,678,680)	(1,263,890)	(3,007,700)
Other operating expenses	(153,896)	(216,537)	(1,854,584)
OPERATING PROFIT/(LOSS)	41,137	(60,562)	(1,583,642)
Finance costs	(70,663)	(63,315)	(160,237)
LOSS BEFORE TAX	(29,526)	(123,877)	(1,743,879)
Discontinued operation, net of tax	-	-	(266,648)
Tax	-	-	(8,035)
LOSS FOR THE PERIOD	(29,526)	(123,877)	(2,018,562)
Attributable to:			
Owners of the parent	(27,592)	(119,143)	(1,998,956)
Non-controlling interest	(1,934)	(4,734)	(19,606)
	(29,526)	(123,877)	(2,018,562)
EARNINGS/(LOSS) PER SHARE			
Basic (loss)/earnings per share (pence)			
- Continuing operations	(0.026)	(0.112)	(1.642)
- Discontinued operations	-	-	(0.238)
Diluted (loss)/earnings per share (pence)			
- Continuing operations	(0.026)	(0.112)	(1.642)
- Discontinued operations	-	-	(0.238)
LOSS FOR THE PERIOD	(29,526)	(123,877)	(2,018,562)
OTHER COMPREHENSIVE (LOSS)/ INCOME			
Foreign currency translation	(48,169)	44,929	39,382
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(77,695)	(78,948)	(1,979,180)
Total comprehensive loss attributable to:			
Owners of the parent	(76,188)	(74,214)	(1,961,398)
Non-controlling interest	(1,507)	(4,734)	(17,782)
	(77,695)	(78,948)	(1,979,180)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	At 30 June 2014 Unaudited £	At 30 June 2013 Unaudited £	At 31 Dec 2013 Audited £
Assets			
Non-current assets			
Intangible assets	624,624	2,098,371	720,045
Property, plant and equipment	451,699	941,084	529,979
	1,076,323	3,039,455	1,250,024
Current assets			
Inventories	716,412	376,710	749,363
Trade receivables	800,652	813,895	797,775
Other receivables	387,819	526,411	297,376
Tax recoverable	12,552	16,804	10,228
Cash and cash equivalents	1,457,803	550,549	1,319,993
	3,375,238	2,284,369	3,174,735
Assets of disposal group classified as held for sale	-	-	285,866
Total Assets	**4,451,561**	**5,323,824**	**4,710,625**
Shareholders' equity			
Equity attributable to equity holders of the Company			
Called up share capital	2,657,470	2,657,470	2,657,470
Share premium	909,472	909,472	909,472
Reverse acquisition reserve	708,951	708,951	708,951
Foreign currency translation reserve	843,758	875,389	868,018
Retained earnings	(3,942,628)	(2,035,223)	(3,915,036)
Shareholders' equity	1,177,023	3,116,059	1,228,875
Non-controlling interest	(1,392)	(7,207)	(20,139)
Total Equity	1,175,631	3,108,852	1,208,736
Liabilities			
Non-current liabilities			
Loans and borrowings - secured	152,732	231,044	213,697
Current liabilities			
Trade payables	1,009,811	258,347	954,529
Other payables	366,485	109,506	399,678
Amount due to Directors	6,824	32,095	98,096
Loans and borrowings - secured	1,740,078	1,559,356	1,764,168
Tax Payable	-	24,624	-
	3,123,198	1,983,928	3,216,471
Liabilities directly associated with disposal group classified as held for sale	-	-	71,721
Total Liabilities	3,275,930	2,214,972	3,501,889
Total Equity and Liabilities	**4,451,561**	**5,323,824**	**4,710,625**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Non-Distributable				Distributable			
	Share Capital £	Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £	Retained Earnings £	Total £	Non-Controlling Interest £	Total £
As at 1 January 2014	2,657,470	909,472	708,951	868,018	(3,915,036)	1,228,875	(20,139)	1,208,736
Disposal of subsidiary	-	-	-	24,336	-	24,336	20,254	44,590
Foreign currency translation	-	-	-	(48,596)	-	(48,596)	427	(48,169)
Loss for the period	-	-	-	-	(27,592)	(27,592)	(1,934)	(29,526)
As at 30 June 2014	**2,657,470**	**909,472**	**708,951**	**843,758**	**(3,942,628)**	**1,177,023**	**(1,392)**	**1,175,631**
As at 1 January 2013	2,657,470	909,472	708,951	830,460	(1,916,080)	3,190,273	(2,357)	3,187,916
Foreign currency translation	-	-	-	44,929	-	44,929	(116)	44,813
Loss for the period	-	-	-	-	(119,143)	(119,143)	(4,734)	(123,877)
As at 30 June 2013	**2,657,470**	**909,472**	**708,951**	**875,389**	**(2,035,223)**	**3,116,059**	**(7,207)**	**3,108,852**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

The reverse acquisition reserve relates to the adjustment required by accounting for the reverse acquisition in accordance with IFRS 3.

The Company's assets and liabilities stated in the Statement of Financial Position were translated into Pound Sterling (£) using the closing rate as at the Statement of Financial Position date and the income statements were translated into £ using the average rate for that period. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Retained earnings represent the cumulative earnings of the Group attributable to equity shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Six months Ended 30 June 2014 Unaudited £	Six months Ended 30 June 2013 Unaudited £	Financial year ended 31 Dec 2013 Audited £
Cash flows from operating activities			
Cash generated from operations	251,393	482,469	1,256,264
Interest paid	(70,663)	(63,315)	(160,236)
Interest received	321	70	35,601
Tax paid	(2,543)	(3,288)	(7,807)
Tax refund			2,102
Net cash generated from operating activities	178,508	415,936	1,125,924
Cash flows from investing activities			
Purchase of property, plant and equipment	(5,146)	(60,436)	(92,768)
Net cash inflow on acquisition of subsidiary	2,211	-	-
Net cash outflow on disposal of subsidiary	(12,336)	-	-
Net cash used in investing activities	(15,271)	(60,436)	(92,768)
Cash flows from financing activities			
Drawdown/(Repayment) of short term borrowings	9,063	(978,229)	(370,261)
Repayment from finance lease payables	(51,789)	(40,677)	(104,011)
Proceeds from issuance of shares	-	-	-
Net cash used in financing activities	(42,726)	(1,018,906)	(474,272)
Increase/(Decrease) in cash and cash equivalents	**120,511**	**(663,406)**	**558,884**
Effect of foreign exchange rate changes	**17,299**	**27,657**	**(123,206)**
Cash and cash equivalents at beginning of period/year	**1,319,993**	**884,315**	**884,315**
Cash and cash equivalents at end of period/year	**1,457,803**	**248,566**	**1,319,993**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2014 were authorised for issue by the Board of Directors on 19 September 2014.

The interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and with those parts of the Companies (Jersey) Law 1991 applicable to companies preparing their financial statements under IFRS. It has been prepared in accordance with IAS 34 "Interim Financial Reporting" and does not include all of the information required for full annual financial statements. The financial statements have been prepared under the historical cost convention.

Full details of the accounting policies adopted, which are consistent with those disclosed in the Company's 2013 Annual Report, will be included in the audited financial statements for the year ending 31 December 2014.

2. Basis of consolidation

The consolidated statement of comprehensive income and statement of financial position include financial statements of the Company and its subsidiaries made up to 30 June 2014.

3. Nature of financial information

The financial information contained in these interim financial statements for the six months ended 30 June 2014 and 30 June 2013 are unaudited. The comparative figures for the year ended 31 December 2013 do not constitute statutory financial statements of the Group. Full audited financial statements of the Group in respect of that financial year prepared in accordance with IFRS, which we received an unqualified audit opinion have been delivered to the Registrar of Companies.

4. Functional and presentation currency

(i) 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 statements are presented in Pound Sterling (£), which is the Company's presentational currency as this is the currency used in the country in which the entity is listed.

Assets and liabilities are translated into Pound Sterling (£) at foreign exchange rates ruling at the Statement of Financial Position date. Results and cash flows are translated into Pound Sterling (£) using average rates of exchange for the period.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using 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/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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

	Exchange rate (RM: £)	
	At Statement of Financial Position date	Average for year/ Period
Period ended 30 June 2014	5.44	5.45
Period ended 30 June 2013	4.85	4.76
Year ended 31 December 2013	5.32	4.93

5. Segmental analysis

No segmental analysis of revenues, profits, assets and liabilities are presented and no geographical segment information is presented as the Group mainly trades and provides services in only one region - the Far East.

6. Taxation

Taxation on the income statement for the financial period comprises current and deferred tax. Current tax is the expected amount of 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 Statement of Financial Position date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base at the Statement of Financial Position 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 Statement of Financial Position date. The carrying amount of a deferred tax asset is reviewed at each Statement of Financial Position 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.

7. Earnings per share

The basic earnings per share is calculated by dividing the loss in the six month period ended 30 June 2014 of £27,592 (30 June 2013: loss of £119,143 and year ended 31 December 2013: loss of £1,998,956) attributable to ordinary shareholders by the number of ordinary shares outstanding at 30 June 2014 of 106,298,780 (30 June 2013: 106,298,780 and 31 December 2013: 106,298,780).

The diluted earnings per share is equivalent to the basic earnings per share as there is no share option outstanding.

8. Reconciliation of profit before tax to cash generated from operations

	Six months ended 30 June 2014 Unaudited	Six months ended 30 June 2013 Unaudited	Financial year ended 31 Dec 2013 Audited
	£	£	£
Cash flow from operating activities			
Loss before tax			
- Continued operation	(29,526)	(123,877)	(1,743,879)
- Discontinued operation	-	-	(266,216)
	(29,526)	(123,877)	(2,010,095)
Adjustments for:			
Gain on foreign exchange - unrealized	-	(19,072)	-
Gain on disposal of subsidiary company	(348,688)	-	-
Depreciation	71,864	119,196	240,926
Amortisation of intangible assets	30,268	86,398	159,640
Amortisation of development costs	51,763	57,177	119,519
Property, plant and equipment written off	-	-	315,240
Impairment loss on receivables	564,368	-	-
Impairment loss on software	-	-	169,790
Impairment loss on goodwill	-	-	942,288
Inventory written off	-	-	229
Bad debts written off	-	-	4,664
Interest paid	70,663	63,315	160,236
Interest received	(321)	(70)	(35,601)
Operating profit before working capital changes	410,391	183,067	66,836
Decrease in inventories	16,914	529,274	129,917
(Increase)/Decrease in receivables	(136,564)	(550,925)	172,204
(Decrease)/Increase in amount due to Directors	(90,920)	(39,708)	28,365
Increase in payables	51,572	360,761	858,942
Cash generated from operations	251,393	482,469	1,256,264

9. Contingent liabilities

In the period under review, corporate guarantees of RM20.0 million (£3.7 million) were given to a licensed bank by the Company for credit facilities granted to a subsidiary company.

10. Significant accounting policies

The interim consolidated financial statements have been prepared applying the same accounting policies that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2013 except for the adoption of new and amended reporting standards, which are effective for periods commencing on or after 1 January 2014. Various amendments to standards and interpretations of standards are effective for periods commencing on or after 1 January 2014 as detailed in the 2013 Annual Report, none of which have any impact on reported results.

Amortisation of intangible assets

Software is amortised over its estimated useful life. Management estimated the useful life of this asset to be within 10 years. Changes in the expected level of usage and technological development could impact the economic useful life therefore future amortisation could be revised.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The research and development costs are amortised on a straight-line basis over the life span of the developed assets. Management estimated the useful life of these assets to be within 5 years. Changes in the technological developments could impact the economic useful life and the residual values of these assets, therefore future amortisation charges could be revised.

Impairment of goodwill on consolidation

The Group's cash flow projections include estimates of sales. However, if the projected sales do not materialise there is a risk that the value of goodwill would be impaired.

The Directors have carried out a detailed impairment review in respect of goodwill. The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering cash flows forecasts. The cash flow projections are based on the assumption that the Group can realise projected sales. A prudent approach has been applied with no residual value being factored. At the period end, based on these assumptions there was no indication of impairment of the value of goodwill or of development costs.

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 other operating expenses in the income statement using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each Statement of Financial Position date.

11. Dividends

The Company has not proposed or declared an interim dividend.

12. Interim report

This interim financial statement will, in accordance with Rule 26 of the AIM Rules for Companies, be available on the Company's website at www.mobilityone.com.my.

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