Regulatory Story

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

Audited results for the year ended 31st December 2010

MobilityOne (AIM: MBO), an e-commerce infrastructure payment solutions and platform provider in Malaysia, Indonesia and Cambodia via its subsidiaries MobilityOne Sdn Bhd ("MobilityOne Malaysia"), Netoss Sdn Bhd and PT MobilityOne Indonesia (collectively known as the "Group"), announces its full year results for the year ended 31st December 2010.

Highlights:

- Revenue increased by 69.6% to £23.3 million (2009: £13.7 million)
- Loss after tax reduced by 76.5% to £0.2m (2009: loss after tax of £0.9m)
- Major agreement with Carrefour Malaysia to roll out approximately 300 EDC terminals
- £4.7 million contract with Telekom Malaysia Berhad
- Money transfer services agreement with Coinstar Money Transfer
- Multi agreements with Cambodian telecom companies
- Indonesian contract with two major mobile operators

Commenting on the results, Dato' Hussian A Rahman, Chief Executive Officer said: "The second half of 2010 saw our positive growth continue. Several major contracts were signed in all areas of our operations. At the same time we saw a substantial increase in revenue in banking channels, where prepaid mobile phone subscribers are becoming more familiar and comfortable with transacting via channels such as mobile and internet banking and ATMs. I am confident that our performance will continue to improve throughout 2011."

About the Group:

MobilityOne is the holding company of an established group of companies 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 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 such as EDC terminals, short messaging services, automated teller machines, and internet banking.

The Group's technology platform is flexible, scalable and has been 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, please refer to our website at www.mobilityone.com.my

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Chairman's Statement

With improving economic conditions in the region, especially in Malaysia, the Group reported a higher revenue growth and a reduction in losses in 2010 compared to 2009. During the year, the Group signed an agreement with Carrefour Malaysia to roll out approximately 300 electronic data capture ("EDC") terminals for prepaid mobile phone airtime reloads across Carrefour Malaysia's 23 hypermarkets and 20 express stores throughout the country. Even though the Group has sustained its revenue contribution from the EDC terminal base, however a substantial increase in revenue was seen in the banking channels whereby the prepaid mobile phone subscribers are becoming more familiar and comfortable with transacting via the banking channels, such as mobile banking, Internet banking and ATMs. In addition, the Group was awarded a contract from Telekom Malaysia Berhad to supply telecommunication hardware over a period of three years. The total value of the contract is RM22.7 million (c. £4.7 million) and the Group has delivered approximately 60% of the total contract value.

For the Group's international remittance services, the Group has entered into a Money Transfer Services Agreement with Coinstar Money Transfer Limited (previously known as Travelex Money Transfer Limited) ("CMT") to provide a money transfer service from the Group's outlets in Malaysia to any of CMT's locations worldwide. This is in addition to the Group's existing agreements with G-Xchange, Inc. and M. Lhuillier in the Philippines as well as PT Finnet Indonesia and PT Telekomunikasi Selular in Indonesia, for the money transfer service to the Philippines and Indonesia respectively.

In Cambodia, the Group has entered into agreements with several telecommunications companies, namely Hello Axiata Company Limited, Latelz Co. Ltd, Cambodia Advance Communications Co. Ltd, Viettel (Cambodia) Pte Ltd, Sotelco Ltd and Applifone Company Ltd to sell their prepaid reloads. However, MobilityOne has not been aggressively expanding its business in Cambodia as the Group has been focusing its time and investments on expanding its business operations in Malaysia.

In Indonesia, PT MobilityOne Indonesia has secured several contracts to provide system maintenance services to two major mobile operators, namely Indosat and XL Axiata.

Results

For the financial year ended 31 December 2010, the Group recorded a revenue of £23.3 million, representing an increase of 69.6% compared to £13.7 million for 2009, and a loss after tax of £0.2 million, representing a reduction of 76.5% compared to a loss after tax of £0.9 million for 2009. The increase in revenue was mainly due to a higher demand for the Group's existing mobile phone's prepaid airtime reload business. Despite the increase in revenue, the Group recorded a small loss, which was due to higher operating costs and expenses for the new business in remittance and costs incurred to explore new business opportunities.

Current trading and outlook

The Directors anticipate that the performance of the Group will continue to improve in 2011, after taking into consideration the following developments:

(i) Continued revenue growth from prepaid airtime reloads for mobile phones via the Group's banking channels and EDC terminals;

(ii) A higher contribution from the Company's international remittance services, with a strategy to open more outlets and tie-up with more cash out partners in Indonesia, Bangladesh and Nepal; and

(iii) A higher contribution from PT MobilityOne Indonesia from the existing and new contracts.

The Directors are confident about the prospects for the Group in the long term and believe the Group's ongoing investment in research and development to develop innovative solutions will produce positive results in future periods. Barring any unforeseen circumstances, the Directors are cautiously optimistic on the outlook of the Group in terms of revenue growth in 2011.

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Dato' Dr. Wan Azmi bin Ariffin
Chairman
Date: 9 June 2011

MOBILITYONE LIMITED

Consolidated Income Statement
For the year ended 31 December 2010

	2010 £	2009 £
Continuing Operations		
Revenue	23,291,599	13,733,773
Cost of sales	(21,353,213)	(12,719,917)
GROSS PROFIT	1,938,386	1,013,856
Other operating income	179,433	71,713
Administration expenses	(1,807,137)	(1,496,741)
Other operating expenses	(433,118)	(435,114)
OPERATING LOSS	(122,436)	(846,286)
Finance costs	(83,643)	(71,057)
LOSS BEFORE TAX	(206,079)	(917,343)
Tax	(9,039)	-
LOSS AFTER TAX	(215,118)	(917,343)
Attributable to:		
Equity holders of the Company	(215,653)	(916,220)
Minority interest	535	(1,123)
	(215,118)	(917,343)
EARNING PER SHARE		
Basic earnings per share (pence)	(0.23)	(1.15)
Diluted earnings per share (pence)	(0.23)	(1.15)
LOSS AFTER TAX	(215,118)	(917,343)
OTHER COMPREHENSIVE INCOME/(LOSS):		
Foreign currency translation	433,103	(557,375)
TOTAL COMPREHENSIVE INCOME/(LOSS)	217,985	(1,474,718)
Total comprehensive income/(loss) attributable to:	217,450	(1,473,595)
Owners of the parent	535	(1,123)
Minority interest		
	217,985	(1,474,718)

MOBILITYONE LIMITED

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010

		Non-Distributable			Distributable			
	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority Interest £	Total £
As at 1 January 2010	2,339,374	782,234	708,951	552,141	(1,439,436)	2,943,264	(927)	2,942,337
Comprehensive income/(loss)								
Loss for the year	-	-	-	-	(215,653)	(215,653)	535	(215,118)
Foreign currency translation	-	-	-	433,103	-	433,103	(77)	433,026
Total comprehensive income/(loss) for the								

income/(loss) for the year	-	-	-	433,103	(215,653)	217,450	458	217,908
As at 31 December 2010	2,339,374	782,234	708,951	985,244	(1,655,089)	3,160,714	(469)	3,160,245

MOBILITYONE LIMITED

Consolidated Statement of Changes in Equity
For the year ended 31 December 2009

		Non-Distributable			Distributable			
	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority Interest £	Total £
As at 1 January 2009	1,974,374	782,234	708,951	1,049,357	(523,216)	3,991,700	850	3,992,550
Comprehensive income/(loss)								
Loss for the year	-	-	-	60,159	(916,220)	(856,061)	(1,123)	(857,184)
Foreign currency translation	-	-	-	(557,375)	-	(557,375)	(654)	(558,029)
Total comprehensive loss for the year	-	-	-	(497,216)	(916,220)	(1,413,436)	(1,777)	(1,415,213)
Transactions with owners								
Issue of shares in MobilityOne Limited	365,000	-	-	-	-	365,000	-	365,000
Total transactions with owners for the year	365,000	-	-	-	-	365,000	-	365,000
As at 31 December 2009	2,339,374	782,234	708,951	552,141	(1,439,436)	2,943,264	(927)	2,942,337

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.

MOBILITYONE LIMITED

Consolidated Statement of Financial Position
As at 31 December 2010

	2010 £
ASSETS	
Non-current assets	
Intangible assets	
Property, plant and equipment	
Current assets	
Inventories	
Trade and other receivables	
Short term investment	
Cash and cash equivalents	
Tax recoverable	

Non-current assets held for sale	-	375,442
	3,344,828	1,926,987
LIABILITIES		
Current liabilities		
Trade and other payables	1,020,279	449,562
Amount due to Directors	238,698	29,047
Loans and borrowings - secured	2,070,533	1,182,498
	3,329,510	1,661,107
Liability relating to non-current assets held for sale	-	71,090
	3,329,510	1,732,197
NET CURRENT ASSETS	15,318	194,790
Total assets less current liabilities	3,260,468	3,012,655
Non-current liability		
Loans and borrowings - secured	100,223	70,318
NET ASSETS	3,160,245	2,942,337
SHAREHOLDERS' EQUITY		
Equity attributable to equity holders of the Company:		
Called up share capital	2,339,374	2,339,374
Share premium	782,234	782,234
Reverse acquisition reserve	708,951	708,951
Foreign currency translation reserve	985,244	552,141
Retained earnings	(1,655,089)	(1,439,436)
Shareholders' equity	3,160,714	2,943,264
Minority interest	(469)	(927)
TOTAL EQUITY	3,160,245	2,942,337

MOBILITYONE LIMITED

Consolidated Statement of Cash Flows
For the year ended 31 December 2010

	2010 £	2009 £
Cash flow from operating activities		
Cash depleted in operations	(281,553)	(489,661)
Interest paid	(83,643)	(71,057)
Interest received	10,956	1,902
Tax paid	(1,635)	-
Net cash used in operating activities	(355,875)	(558,816)
Cash flows from investing activities		
Purchase of property, plant and equipment	(40,078)	(57,804)
Purchase of short term investment	(1,713)	-
Proceeds from disposal of property, plant and equipment	454,005	-
Proceeds from disposal of available for sale financial asset	-	-
Additions to development costs	(285,009)	-
Net cash generated from/(used in) investing activities	127,205	(57,804)

Cash flows from financing activities		
Drawdown of short term borrowings	864,705	472,719
Repayment of term loans	(184,393)	(89,122)
Repayment of finance lease payables	(12,297)	(4,662)
Proceeds from issuance of ordinary shares	-	365,000
Net cash generated from financing activities	668,015	743,935
Increase in cash and cash equivalents	439,345	127,315
Effect of foreign exchange rate changes	(107,213)	(137,096)
Cash and cash equivalents at beginning of year	400,304	410,085
Cash and cash equivalents at end of year	732,436	400,304

MOBILITYONE LIMITED

Notes to the Financial Statements
For the year ended 31 December 2010

1. Basis of preparation

The announcement of results is not the Company's full statutory accounts. Statutory accounts for the year ended 31 December 2010 have not been delivered to the Registrar of Companies. The auditors have reported on the statutory accounts for the year ended 31 December 2010 on 9 June 2011 and their report was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report; neither did it contain a statement regarding accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns, or regarding failure to obtain necessary information and explanations.

These financial statements 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. The financial statements have been prepared under the historical cost convention.

2. Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review on page 2. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and associated notes. In addition, Note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

In order to assess the going concern of the Group, the Directors have prepared cashflow forecasts for companies within the Group. These cashflow forecasts show the Group will have increased sales based primarily on signed contracts and having sufficient headroom over available banking facilities. The Group has obtained banking facilities sufficient to facilitate the growth forecast in future periods. No matters have been drawn to the Directors' attention to suggest that future renewals may not be forthcoming on acceptable terms.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

3. 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-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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
Year ended 31 December 2010	4.78	4.96
Year ended 31 December 2009	5.50	5.53

4. Segmental Analysis

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.

5. 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.

6. Earnings per share

The basic earnings per share is calculated by dividing the loss of £215,653 (2009: loss of £916,220) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 93,574,951 (2009: 79,934,951).

The diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. For the year ended 31 December 2010, the diluted earnings per share is equivalent to the basic earnings per share as the exercise price of the share options is above the current market price.

7. Contingent liabilities

Save as disclosed below, the Group has no contingent liabilities arising in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

	Group	
	2010	**2009**
	£	**£**
Limit of guarantees		
Corporate guarantees given to licensed banks by a subsidiary company for credit facilities granted to a third party	21,645,022	1,109,090
Amount utilised		
Banker's guarantee in favour of a third party	373,455	83,626

8. Significant accounting policies

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 the net present value of discounted cash flows forecasts which have been discounted at 8.5%. 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.

However, if the projected sales do not materialise there is a risk that the value of the intangible assets shown above would be impaired.

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 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 Statement of Financial Position date.

-Ends-

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