

RNS Miscellaneous

Acquisition of Tanjung Pinang Resources & new JV

MOBILITYONE LIMITED

Released 07:00:09 14 December 2020

RNS Number : 46841
MobilityOne Limited
14 December 2020

14 December 2020

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

Acquisition of Tanjung Pinang Resources Sdn Bhd and new joint venture agreement to expand payment terminal related activities in Malaysia

Acquisition of Tanjung Pinang Resources Sdn Bhd

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider, wishes to announce that MobilityOne Sdn Bhd ("M1 Malaysia"), the Group's wholly owned operating subsidiary in Malaysia, has entered into an agreement to acquire the entire issued share capital of Tanjung Pinang Resources Sdn Bhd ("TPR"). TPR's principal business activities are to provide money-changing and remittance agent services in Malaysia.

TPR holds a money changing licence from the Central Bank of Malaysia which is complementary to the Group's existing remittance business via its 50% owned subsidiary, OneTransfer Remittance Sdn Bhd. This licence is valid through to 27 March 2022 and capable of extension with the approval of the Central Bank of Malaysia. Currently TPR only has one money changing outlet in Malaysia.

The total consideration payable to the vendors of TPR is RM300,000 (equivalent to c.£55,567*) in cash payable from the Group's existing cash resources.

For the year ended 31 December 2019, TPR reported revenue of RM122,586 (equivalent to £22,707*) and generated a loss before tax of RM73,457 (equivalent to £13,606*).

Given the comparative small size of TPR when compared to the existing Group, the acquisition of TPR will not have a material impact on the Group's current revenue or earnings nor is it expected to have a material contribution to the growth prospects of the Group. At the present time the Central Bank of Malaysia is not issuing new money changing licences or remittance licences and therefore the Board believes the acquisition of TPR does have strategic importance to the Group and will be important for the Group's future expansion plans notwithstanding the relative size of TPR.

Incorporation of M1 Merchant Sdn Bhd and new joint venture in Malaysia

M1 Malaysia has also entered into a joint venture agreement (the "Agreement") with Mr Lee Hock Leong to establish a new joint venture company, M1 Merchant Sdn Bhd ("M1 Merchant"). The business activities of the new joint venture will be to expand payment terminal related business activities in Malaysia which include acquiring new merchants for credit cards and e-wallets payment acceptance. The Group expects to generate revenue from the Agreement by early 2021.

Mr Lee has significant business contacts and many years of experience working in payment terminal businesses in Malaysia. Under the Agreement, Mr Lee will work with the Group to further expand the Group's terminal base in Malaysia.

M1 Malaysia and Mr Lee will own 60 per cent. and 40 per cent. of the equity interest in M1 Merchant respectively. M1 Merchant will have an initial share capital of RM10 (c.£1.90) and the share capital will increase to RM300,000 (c. £55,000) before commencement of M1 Merchant's business activities. M1 Malaysia will contribute 60 per cent. of the enlarged share capital of M1 Merchant (equivalent to RM180,000 (c.£33,000)) and Mr Lee will contribute the remaining 40 per cent. Should M1 Merchant require further future funding it is expected that this would be funded by either bank borrowings or advances from M1 Merchant's shareholders in accordance with their equity interests. It is anticipated that part of the profits generated under the Agreement would be, after the initial 12 month period, distributed to M1 Merchant's shareholders in the form of a dividend.

Under the Agreement, there is no minimum commitment for either party, no exclusivity arrangements and no fixed time period for the Agreement. Either party can discontinue the Agreement at any time by offering their shareholding in M1 Merchant to the other party at a price to be mutually agreed.

Whilst the Group is pleased to announce the Agreement as it validates its present strategy, it is not expected that the joint venture agreement will have a material revenue contribution or earnings impact on the Group.

For further information, please contact:

MobilityOne Limited

Dato' Hussian A. Rahman, CEO
har@mobilityone.com.my

+6 03 89963600
www.mobilityone.com.my

Allenby Capital Limited

(Nominated Adviser and Broker)
Nick Athanas /James Hornigold

+44 20 3328 5656

**Based on exchange rate as on 10 December 2020 of RM:0.185222 GBP*

About the Group:

MobilityOne provides e-commerce infrastructure payment solutions and platforms through its proprietary technology solutions. 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

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCKZMMZGFLGGZZ

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2020 London Stock Exchange plc. All rights reserved.