



ACQUISITION OF 49% INTEREST IN SINCERE ACRES

MOBILITYONE LIMITED

Released 09:40:46 29 September 2023

RNS Number : 17260
MobilityOne Limited
29 September 2023

Prior to publication, the information contained within this announcement was deemed by the Group to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

29 September 2023

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

Acquisition of 49% equity interest in Sincere Acres Sdn Bhd

Vertical integration into the healthcare information systems industry

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider, is pleased to announce that MobilityOne Sdn Bhd ("**M1 Malaysia**"), the Group's wholly-owned operating subsidiary in Malaysia, has entered into a share sale agreement (the "**Agreement**") with United Flagship Development Sdn Bhd (the "**Vendor**") on 29 September 2023 to acquire a 49% equity interest in Sincere Acres Sdn Bhd ("**Sincere**") for a total cash consideration of RM30,000,000 (c. £5.217 million*) (together the "**Proposed Acquisition**").

Sincere is an investment holding company with its sole business activity comprising of owning a 100% equity interest in Hati International Sdn Bhd ("**Hati**", and together with Sincere, the "**Sincere Group**"), an operating company in Malaysia. Hati is a healthcare information systems provider in Malaysia focused on healthcare software development and information technology. Through the use of cloud service platforms and software system solutions, Hati has developed a product suite comprising of hospital information systems, clinical information systems, business intelligence platforms and Internet of Things (IoT)/Artificial Intelligence (AI) enabled platforms.

Further information in relation to Hati is available on Hati's website: <https://hatiintl.com/about-hati>.

The Proposed Acquisition will enable the Group to, amongst other benefits, diversify its existing business activities into the growing healthcare information systems industry.

Background to and reasons for the Proposed Acquisition

The board of directors of the Group (the "**Board**") considers that the Proposed Acquisition will result in a number of synergistic benefits for both the Group and Hati. The Proposed Acquisition is anticipated to enable the Group to vertically integrate its existing electronic payment systems and services with Hati's suite of existing products to support payment methods such as credit cards, debit cards and eWallets via online payments and over the counter

payments. In addition, the Proposed Acquisition will result in Hati being able to utilise the Group's infrastructure and engineering know-how to automate electronic billing and invoicing.

Following completion of the Proposed Acquisition, and as part of the Group's long-term growth strategy, the Group intends to develop a payment system that integrates the Group's e-claims and e-payments services with insurance companies thereby resolving cash flow issues typically faced by hospitals and clinics. The Group also intends to explore potential collaborations with the Group's telecommunication partners in order to enable Hati's real-time IoT/AI enabled healthcare devices to operate over 5G cellular networks. The above proposed developments will also contribute to the Group expanding its customer base for its existing electronic payment systems and services.

In addition, the Board is attracted to the future prospects of Hati. For example, Hati has invested substantially in research and development ("R&D") to date and, accordingly, the Board believes that Hati is well positioned to secure several commercial projects from the private and public sectors in Malaysia. Similarly, the Board believes that there is long-term scope for Hati to expand its healthcare information system offering to other countries globally.

Terms of the Proposed Acquisition

Pursuant to the terms of the Proposed Acquisition, the RM30,000,000 (c. £5.217 million*) cash consideration will be paid to the Vendor in two tranches. The first tranche, representing RM2.0 million (c. £0.348 million*), will be paid shortly by M1 Malaysia to the Vendor using M1 Malaysia's existing cash resources. The second tranche, representing the balance of RM28.0 million (c. £4.869 million*) (the "**Second Tranche**"), is required to be paid by M1 Malaysia by 8 March 2024 (the "**Second Tranche Payment Date**"). It is envisaged that the Second Tranche will be paid by the Group using existing cash resources of M1 Malaysia.

While the Second Tranche Payment Date can be extended for up to a further 6 months (the "**Extended Second Tranche Payment Date**"), any payment in relation to the Second Tranche made after the Second Tranche Payment Date will be subject to an interest charge of 10% per annum. The balance amount payable for the Second Tranche (including any interest charge if the payment is made after the Second Tranche Payment Date) shall be reduced by RM1.0 million (c. £0.174 million*) when the payment is made by the Extended Second Tranche Payment Date.

While the Proposed Acquisition is not subject to any conditions precedent, both parties have agreed to complete the Proposed Acquisition by 4 October 2023.

A further announcement will be made by the Group upon completion of the Proposed Acquisition.

Effects of the Proposed Acquisition

Following completion of the Proposed Acquisition, Sincere and Hati will be considered as associated companies of the Group. The Group's 49% equity interest in Sincere will not be consolidated in the Group's accounts and the Group will only share the profit and loss of Sincere based on the Group's 49% equity interest in Sincere.

The Group will continue to operate its core payment solutions business amongst its other projects and the core strategy will also remain unchanged notwithstanding the vertical integration of its existing products and services to Hati's suite of products. As at the date of this announcement, Hati has 52 employees. In this regard, the existing key personnel in Hati are expected to remain in Hati's business with no management of Hati joining the Board of MobilityOne on completion of the Proposed Acquisition. Notwithstanding this, the Group intends to integrate several technical specialist and software engineering employees into Hati's business.

The Proposed Acquisition is not expected to have a material impact on the Group's current revenue. The effects to the future earnings of the Group will depend on the future performance of Hati as well as the synergistic benefits to be achieved.

For the financial year ended 31 March 2022, the Sincere Group reported audited revenue of RM0.248 million (c. £0.043 million*) and generated a loss before tax of RM8.184 million (c. £1.423 million*). For the financial year ended 31 March 2023, the Sincere Group reported unaudited revenue of RM0.537 million (c. £0.093 million*) and generated a loss before tax of RM7.061 million (c. £1.228 million*). As at 31 March 2022 and 31 March 2023, the Sincere Group had net liabilities of RM7.743 million (c. £1.347 million*) (audited) and RM14.804 million (c. £2.574 million*) (unaudited), respectively. The losses in the past were mainly due to the R&D and operating expenses incurred in order to build the business for the coming years.

Dato' Hussian A Rahman, CEO of MobilityOne, commented: *"I am confident of the synergistic benefits arising from the Proposed Acquisition and Hati's long-term prospects in the healthcare information systems industry."*

**Based on exchange rate as on 28 September 2023 of RM:0.1739 GBP*

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 / Vivek Bhardwaj

+44 20 3328 5656

About the Group:

MobilityOne is one of the leading virtual distributors of mobile prepaid reload and bill payment services in Malaysia. With connections to various service providers across industries such as banking, telecommunications, utilities, government agencies, and transportation, the Group operates through multiple distribution channels including mobile wallets, e-commerce sites, EDC terminals, automated teller machines, kiosks, and internet & mobile banking. Holding licenses in regulated spaces including acquiring, e-money, remittance and lending, the Group offers a range of services to the market, including wallet, internet, and terminal-based payment services, whiteabel e-money, remittance, lending, and custom fintech ecosystems for communities. The Group's flexible, scalable technology platform enables cash, debit card, and credit card transactions from multiple devices while providing robust control and monitoring of product and service distribution.

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

UPDFIFVTAAIAFIV

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.

© 2023 London Stock Exchange plc. All rights reserved.