Company	MobilityOne Limited
TIDM	MBO
Headline	Half Yearly Report
Released	07:00 29-Sep-2011
Number	1543P07

RNS Number : 1543P
MobilityOne Limited
29 September 2011

29 September 2011

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

Unaudited interim results for the six months ended 30 June 2011

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 unaudited interim results for the six months ended 30 June 2011.

Highlights:

- Revenue increased by 47.6% to £14.4 million (H1 2010: £9.8 million)
- Loss after tax reduced by 70.0% to £0.06 million (H1 2010: loss after tax of £0.2 million)
- Important agreements signed with Bank Muamalat Malaysia Berhad and Felda Trading Sdn Bhd in Malaysia

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 electronic data capture ("**EDC**") terminals, mobile devices, automated teller machines ("**ATM**") 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

For further information, please contact:

MobilityOne — +6 03 8996 3600
Dato' Hussian A. Rahman, CEO — *www.mobilityone.com.my*
har@mobilityone.com.my

Allenby Capital Limited (Nominated Adviser and Broker) — +44 20 3328 5656
Nick Athanas /James Reeve

Threadneedle Communications — +44 20 7653 9850
Robyn McConnachie/Alex White

Chairman's statement

The Group continues to demonstrate significant progress in driving revenues higher and improving its bottom line performance with a 47.6% revenue increase and a 70% reduction in reported losses in the six months to 30 June 2011. During the period, most of the revenue was contributed by the fast growing mobile phone prepaid airtime reload business. The Group's international remittance services and overseas expansion advanced at a relatively slow pace in the period but the Directors remain confident that these business areas will contribute positively to the Group's financial performance in the long term.

Two important new client contacts have been won. MobilityOne Malaysia has recently signed an agreement with Bank Muamalat Malaysia Berhad, an Islamic bank with 56 branches in Malaysia (http://www.muamalat.com.my), to provide mobile phone prepaid airtime reloads via the banking channels. This is a similar agreement to our existing partnerships with the majority of banks in Malaysia,

MobilityOne Malaysia has also signed an agreement with Felda Trading Sdn Bhd ("**Felda Trading**") (http://www.felda.net.my) to provide, initially, mobile phone prepaid airtime reloads and subsequently to expand the relationship to include international remittance services at Felda Trading's retail chain stores throughout Malaysia which number more than 200. Approximately 100 of the stores have been installed with the Group's EDC terminals thus far. Felda Holdings Bhd (http://www.feldaholdings.com), based in Malaysia is one of the world's largest plantation operators and employs approximately 50,000 people, the majority of whom are migrant workers. Felda Trading operates the retail chain stores at most of its oil palm estates and migrant workers have been identified by MobilityOne as a key demographic of potential users of the Group's international remittance services, as well as the prepaid airtime reloads.

Besides the two new agreements mentioned above, we continue to expand our existing businesses and explore new business opportunities with more business partners that will contribute positively to the Group's future earnings.

Financial performance

In the six months ended 30 June 2011, the Group recorded revenue of £14.4 million, representing an increase of 47.6% compared to £9.8 million in the corresponding period in 2010 and a loss after tax of £0.06 million (H1 2010: loss after tax of £0.2 million), representing a reduction of 70.0%.

The increase in revenue was mainly due to the higher sales for our existing mobile phone prepaid airtime reload business through our banking channels (i.e, mobile banking, ATM and Internet banking) as well as EDC terminals.

Current trading and outlook

The Group will continue to focus on the successful growth of its existing businesses with the appropriate investment in R&D to support that goal. The Directors view the outlook with confidence and expect the Group to continue achieving revenue growth in the second half of the year despite the current softening economic climate.

Dato' Dr. Wan Azmi bin Ariffin
Chairman

29 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2011

	Six months ended 30 June 2011 Unaudited £	Six months ended 30 June 2010 Unaudited £	Financial year ended 31 Dec 2010 Audited £
CONTINUING OPERATIONS			
Revenue	14,423,911	9,770,158	23,291,599
Cost of sales	(13,340,963)	(9,317,662)	(21,353,213)
GROSS PROFIT	1,082,948	452,496	1,938,386
Other operating income	118,629	89,589	179,433
Administration expenses	(692,014)	(515,217)	(1,807,137)
Other operating expenses	(501,394)	(191,592)	(433,118)
OPERATING LOSS	8,169	(164,724)	(122,436)
Finance costs	(69,297)	(39,256)	(83,643)
LOSS BEFORE TAX	(61,128)	(203,980)	(206,079)
Tax	-	-	(9,039)
LOSS FOR THE PERIOD	(61,128,)	(203,980)	(215,118)
Attributable to:			
Equity holders of the Company	(53,762)	(203,730)	(215,653)
Minority interest	(7,366)	(250)	(535)
	(61,128)	(203,980)	(215,118)
EARNINGS PER SHARE			
Basic earnings per share (pence)	(0.07)	(0.22)	(0.23)
Diluted earnings per share (pence)	(0.07)	(0.22)	(0.23)
LOSS FOR THE PERIOD	(61,128)	(203,980)	(215,118)
OTHER COMPREHENSIVE INCOME			
Foreign currency translation	(229,274)	295,503	433,103

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(290,402)	91,523	217,985
Attributable to:			
Owners of the parent	(302,509)	91,773	217,450
Minority interest	12,107	(250)	535
	(290,402)	91,523	217,985

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	At 30 June 2011 Unaudited £	At 30 June 2010 Unaudited £	At 31 Dec 2010 Audited £
Assets			
Non-current assets			
Intangible assets	2,107,701	1,861,414	2,232,506
Property, plant and equipment	920,653	1,042,279	1,012,644
	3,028,354	2,903,693	3,245,150
Current assets			
Inventories	1,440,440	819,476	1,349,058
Trade receivables	1,840,542	337,606	858,161
Other receivables	207,561	88,121	399,967
Short term investment	1,768	-	1,778
Tax recoverable	-	8,332	3,428
Cash and cash equivalents	933,749	460,169	732,436
	4,424,060	1,713,704	3,344,828
Liabilities			
Current liabilities			
Trade payables	1,756,804	142,449	699,421
Other payables	421,738	283,413	320,858
Amount due to Directors	123,004	29,047	238,698
Borrowings -secured	2,269,918	1,053,805	2,070,533
	4,571,464	1,508,714	3,329,510
Net current assets	(147,404)	204,990	15,318
Total assets less current liabilities	2,880,950	3,108,683	3,260,468
Non-current liabilities			
Borrowings - secured	-	75,073	100,223
Net assets	2,880,950	3,033,610	3,160,245
Shareholders' equity			
Equity attributable to equity holders of the Company			
Called up share capital	2,339,374	2,339,374	2,339,374
Share premium	782,234	782,234	782,234
Reverse acquisition reserve	708,951	708,951	708,951
Foreign currency translation reserve	755,970	847,644	985,244
Accumulated losses	(1,716,217)	(1,643,416)	(1,655,089)
Shareholders' equity	2,870,312	3,034,787	3,160,714
Minority interest	10,638	(1,177)	(469)
Total Equity	2,880,950	3,033,610	3,160,245

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2011

	Non-Distributable				Distributable			
	Share Capital	**Share premium**	**Reverse acquisition reserve**	**Foreign currency translation reserve**	**Accumulated Losses**	**Total**	**Minority interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
As at 1 January 2011	2,339,374	782,234	708,951	985,244	(1,655,089)	3,160,714	(469)	3,160,245
Foreign currency translation	-	-	-	(229,274)	-	(229,274)	-	(229,274)
Loss for the period	-	-	-	-	(61,128)	(61,128)	11,107	(50,021)
As at 30 June 2011	**2,339,374**	**782,234**	**708,951**	**755,970**	(1,716,217)	**2,870,312**	**10,638**	**2,880,950**
As at 1 January 2010	2,339,374	782,234	708,951	552,141	(1,439,436)	2,943,264	(927)	2,942,337
Foreign currency translation	-	-	-	295,503	-	295,503	-	295,503
Loss for the period	-	-	-	-	(203,980)	(203,980)	(250)	(204,230)
As at 30 June 2010	**2,339,374**	**782,234**	**708,951**	**847,644**	**(1,643,416)**	**3,034,787**	**(1,177)**	**3,033,610**

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.

Accumulated losses represent the cumulative losses of the Group attributable to equity shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2011

	Six months Ended 30 June 2011 Unaudited £	Six months ended 30 June 2010 Unaudited £	Financial year ended 31 Dec 2010 Audited £
Cash flows from operating activities			
Cash generated from/(depleted in) operations	240,507	259,860	(281,553)
Interest paid	(69,941)	(39,256)	(83,643)
Interest received	-	1,542	10,956
Tax paid	7,434	-	(1,635)
Net cash generated from/(used in) operating activities	178,000	222,146	(355,875)
Cash flows from investing activities			
Purchase of property, plant and equipment	(10,288)	-	(40,078)
Purchase short term investment	-	-	(1,713)
Proceeds from disposal of property, plant and equipment	3,185	372,600	454,005
Additions to development costs	-	-	(285,009)
Net cash generated from/(used in) investing activities	(7,103)	372,600	127,205
Cash flows from financing activities			
Drawdown of short term borrowings	335,208	123,938	864,705
Repayment of term loan	(100,223)	(186,440)	(184,393)
Repayment from finance lease payables	-	-	(12,297)
Net cash (used in)/generated from financing activities	234,985	(62,502)	668,015
Increase in cash and cash equivalents	405,882	532,244	439,345
Effect of foreign exchange rate changes	(204,569)	(472,379)	(107,213)
Cash and cash equivalents at beginning of period/year	732,436	400,304	400,304
Cash and cash equivalents at end of period/year	933,749	460,169	732,436

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2011 were authorised for issue by the Board of Directors on 29 September 2011.

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 2010 Annual Report, will be included in the audited financial statements for the year ending 31 December 2011.

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 2011.

3. Nature of financial information

The financial information contained in these interim financial statements for the six months ended 30 June 2011 and 30 June 2010 are unaudited. The comparative figures for the year ended 31 December 2010 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	Average for year/ period

	date	
Period ended 30 June 2011	4.86	4.91
Period ended 30 June 2010	4.91	5.20
Year ended 31 December 2010	4.78	4.96

5. Segmental reporting

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.

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 2011 of £61,128 (30 June 2010: loss of £203,908 and year ended 31 December 2010: loss of £215,118) attributable to ordinary shareholders by the number of ordinary shares outstanding at 30 June 2011, at 30 June 2010 and for the financial year ended 31 December 2010 of 93,574,951.

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 period/year ended 30 June 2011, 30 June 2010 and 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.

8. Contingent liabilities

In the period under review, corporate guarantees of RM16.9 million (£3.5 million) were given to a licensed bank by a subsidiary company, MobilityOne Malaysia, for credit facilities granted to a third party.

9. 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 2010 except for the adoption of new and amended reporting standards, which are effective for periods commencing on or after 1 January 2011. Various amendments to standards and interpretations of standards are effective for periods commencing on or after 1 January 2011 as detailed in the 2010 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 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 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.

10. Dividends

The Company has not proposed or declared an interim dividend.

11. Interim report

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

-Ends-