MobilityOne Limited - Annual Report

2008

Listed on AIM of the London Stock Exchange

MOBILITYONE
TECHNOLOGY INNOVATION IN ONE

CONTENTS

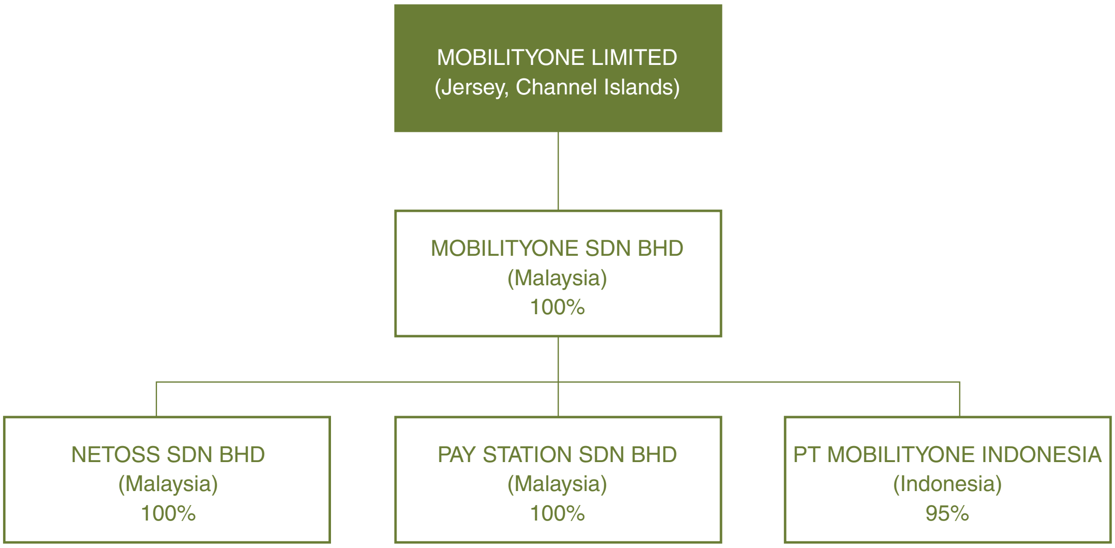
COMPANY INFORMATION

DIRECTORS	Dato' Dr. Wan Azmi bin Ariffin (Non-Executive Chairman) Dato' Hussian @ Rizal bin A. Rahman (Chief Executive Officer) Derrick Chia Kah Wai (Technical Director) Seah Boon Chin (Corporate Finance Director) Dato' Shamsir bin Omar (Non-Executive Director) Kjetil Langland Bohn (Non-Executive Director)
SECRETARY	TMF Channel Islands Limited Walker House 28-34 Hill Street Jersey JE4 8PN Channel Islands
REGISTERED OFFICE	Walker House PO Box 72 28-34 Hill Street Jersey JE4 8PN Channel Islands
BUSINESS ADDRESS	No. 2, 9th Floor, Wisma Menjalara Jalan 7A/62A, Bandar Menjalara 52200 Kuala Lumpur Malaysia Tel: +603 6286 1999
AUDITORS	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE United Kingdom
NOMINATED ADVISER AND BROKER	HB Corporate Limited 40 Marsh Wall London E14 9TP United Kingdom
FINANCIAL PUBLIC RELATIONS	Threadneedle Communications 5th Floor, 7 Ludgate Broadway London EC4V 6DX United Kingdom

CHAIRMAN'S STATEMENT

INTRODUCTION

MobilityOne Limited's organisation structure is depicted below:



OPERATIONS REVIEW

2008 has been a challenging year for the Group. Demand for the Group's products and services has been affected by the weak business sentiment, which has also led to the delay of certain projects and expansion plans. Despite the challenging global economic situation, the Group remains committed to developing innovative solutions through Research & Development, which include the remittance business and connectivity to various foreign partners, mobile and Internet banking systems, bill payment systems and enhancement of the existing infrastructure, and to growing and diversifying its range of services, in order to place the Group on a stronger footing to capitalise on future prospects.

In order to diversify the Group's revenue base, the Group has set up a subsidiary in Indonesia, namely PT. MobilityOne Indonesia, to market the Group's solutions to financial institutions and telecommunication companies in that country. The Group has entered into agreements with PT. Finnet Indonesia ("Finnet") and PT. Telekomunikasi Selular ("Telkomsel") in Indonesia to provide remittance services. Finnet is a transaction management company which focuses primarily on switching and shared transactions settlement for all business entities, especially financial institutions, while Telkomsel is the leading operator, by market share, of cellular telecommunications services in Indonesia. The Group has also entered into a similar agreement with G-Xchange, Inc., a wholly-owned subsidiary of Globe Telecom, which is one of the largest mobile phone companies in the Philippines, to provide similar remittance services. In addition, the Group has been appointed by Telekom Malaysia International (Cambodia) Co., Ltd, one of the major telecommunications companies in Cambodia, as its technology partner to provide the e-voucher and credit transfer platform for its telecommunications operations in Cambodia. Whilst entry into these new markets and geographies has not resulted in immediate strong returns, the Board is hopeful that it will provide good new business opportunities and, therefore, revenue growth to the Group in the long term.

We present the audited consolidated financial statements for MobilityOne Limited for the year ended 31 December 2008.

RESULTS

Due to a number of factors, not least the slowing of the global economy, the Group saw a slowdown in demand for its products and services. As a result, for the financial year ended 31 December 2008, the Group registered a revenue of £12.46 million, a decrease of 24.8% compared to £16.57 million for 2007 and a loss after tax of £0.88 million (2007: profit £0.73 million). The loss was primarily due to the lower revenue registered for the financial year, higher operating costs and expenses to explore new business opportunities, depreciation and amortisation of intangible assets and development costs of £0.29 million, as well as a write down of equipment and inventories of £0.22 million.

CURRENT TRADING AND OUTLOOK

The Group, like many other companies during this global economic crisis, has experienced a further slowdown in turnover during the first few months of 2009. As such, the Group has taken measures to reduce costs and overheads in order to cushion the impact of the slowdown, and to be more aggressive in its sales and marketing activities.

Although the Group expects 2009 to continue to be a challenging year, due to the prevailing market conditions, and expects some of its projects may continue to be deferred or put on hold, the Group will continue to introduce new revenue streams through its new products and services and to focus on continuous innovation and enhancement of its products and services to ensure its competitiveness and future growth in the industry.

So far, the roll out of the Group's self-service "OnePay" terminals has been slow. However, the Group expects the usage of the terminals to improve in the long term as the Group has been in discussions with its business partners to include bill payments and other payment functionalities to the terminals and this will enhance the value of the terminals. In addition, the Group has recently launched an International Remittance Service at its first two outlets in Kota Kinabalu and Kuala Lumpur in Malaysia. This new service is designed to cater for the estimated two million Indonesians and 200,000 Filipinos in Malaysia who have the need to use international remittance services to send money back to their home countries. The Group is also exploring similar agreements with partners in other countries such as Bangladesh, as there are about 450,000 Bangladeshis currently working in Malaysia. In addition, the Group plans to increase the number of its own remittance services outlets as well as linking-up with financial institutions in Malaysia.

CONCLUSION

On behalf of the Board of Directors, I would like to take this opportunity to thank the management and staff for their efforts and commitment over the year.

Dato' Dr. Wan Azmi bin Ariffin
Chairman

Date: 25 June 2009

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was in the business of providing e-commerce infrastructure payment solutions and platforms.

KEY PERFORMANCE INDICATORS

	Year ended 31.12.2008 £
Revenue	12,460,925
Operating loss	(867,700)
Loss before tax	(916,047)
Net loss	(879,152)

KEY RISKS AND UNCERTANTIES

Operational risks
The Group is not insulated from general business risk as well as certain risks inherent in the industry in which the Group operates. This may include technological changes, unfavourable changes in Government and international policies, the introduction of new and superior technology or products and services by competitors and changes in the general economic, business and credit conditions.

Dependency on Distributorships Agreements
The Group relies on various telecommunication companies to provide the telecommunication products. Hence the Group's business may be materially and adversely affected if one or more of these telecommunication companies cut or reduce drastically the supply of their products. The Group has distributorship agreements with telecommunication companies such as DiGi Telecommunications Sdn. Bhd., Celcom (M) Berhad and Maxis Communication Berhad, which are subject to periodic renewal.

Rapid technological changes/product changes in the e-commerce industry
The ability to keep pace with rapid technological development in the e-commerce industry will affect the Group's revenues and profits. The e-commerce industry is characterised by rapid technological changes due to changing market trends, evolving industry standards, new technologies and emerging competition. Future success will be dependent upon the Group's ability to enhance its existing technology solutions and introduce new products and services to respond to the constantly changing technological environment. The timely development of new and enhanced services or products is a complex and uncertain process.

Demand of products and services
The Group's future results depend on the overall demand for its products and services. Uncertainty in the economic environment may cause some business to curtail or eliminate spending on payment technology. In addition, the Group may experience hesitancy on the part of existing and potential customers to commit to continuing with its new services.

REVIEW OF BUSINESS

The results for the year and financial position of the Company and the Group are as shown in the annexed financial statements.

RESULTS AND DIVIDENDS

The consolidated loss for the year ended 31 December 2008 is £879,152 (2007: profit £733,089) which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The Directors during the year under review were:

Dato' Dr. Wan Azmi bin Ariffin *(Non-Executive Chairman)*
Dato' Hussian @ Rizal bin A. Rahman *(Chief Executive Officer)*
Derrick Chia Kah Wai *(Technical Director)*
Seah Boon Chin *(Corporate Finance Director)*
Dato' Shamsir bin Omar *(Non-Executive Director)*
Kjetil Langland Bohn *(Non-Executive Director)*

Derrick Chia Kah Wai and Seah Boon Chin who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

The beneficial interests of the Directors holding office at 31 December 2008 in the ordinary shares of the Company, were as follows:

Ordinary 2.5p shares

	Interest at 31.12.08	% of issued capital
Dato' Dr. Wan Azmi bin Ariffin	Nil	Nil
Dato' Hussian @ Rizal bin A. Rahman	27,452,111	34.8
Derrick Chia Kah Wai	Nil	Nil
Seah Boon Chin	Nil	Nil
Dato' Shamsir bin Omar	9,131,677	11.6
Kjetil Langland Bohn	Nil	Nil

The Directors also held the following ordinary shares under option:

	Interest at 31.12.08
Dato' Dr. Wan Azmi bin Ariffin	Nil
Dato' Hussian @ Rizal bin A. Rahman	2,000,000
Derrick Chia Kah Wai	2,000,000
Seah Boon Chin	2,000,000
Dato' Shamsir bin Omar	Nil
Kjetil Langland Bohn	Nil

The options were granted on 5 July 2007 at an exercise price of 12.5p. The period of the options is five years.

SUBSTANTIAL SHAREHOLDERS

As at 24 June 2009, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital pursuant to Part VI of Article 110 of the Companies (Jersey) Law 1991:

Ordinary 2.5p shares

	Number of ordinary shares	% of issued capital
Dato' Hussian @ Rizal bin A. Rahman	27,452,111	34.8
Thornbeam Limited	16,048,922	20.3
Dato' Shamsir bin Omar	9,131,677	11.6
Perbadanan Nasional Berhad	5,290,000	6.7
GHL Systems Berhad	3,209,784	4.1

PUBLICATION OF ACCOUNTS ON COMPANY WEBSITE

Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the Directors. The Directors' responsibility also extends to the financial statements contained therein.

INDEMNITY OF OFFICERS

The Group does not have the insurance cover against legal action bought against its Directors and officers.

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

EMPLOYEE INVOLVEMENT

The Group places considerable value on the involvement of the employees and has continued to keep them informed on matters affecting the Group. This is achieved through formal and informal meetings.

GOING CONCERN

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business for the foreseeable future; and
- state that the financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Article 110 of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Article 110 of the Companies (Jersey) Law 1991) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

Jeffreys Henry LLP have expressed their willingness to continue in office. A resolution proposing that Jeffreys Henry LLP be re-appointed will be put to the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Dato' Hussian @ Rizal bin A. Rahman
Chief Executive Officer

Date: 25 June 2009

The Directors acknowledge the importance of the Principles set out in the Combined Code issued by the Committee on Corporate Governance. Although the Combined Code is not compulsory for AIM companies, the Directors intend to apply the principles as far as practicable and appropriate for a relatively small public company as follows:

THE BOARD OF DIRECTORS

The Board is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

AUDIT COMMITTEE AND REMUNERATION COMMITTEE

The Audit Committee and the Remuneration Committee comprise of the Non-executive Directors. The Audit Committee receives and reviews reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems of the Company. The Audit Committee has unrestricted access to the Group's auditors.

The Remuneration Committee reviews the performance of the Executive Directors, sets their remuneration, determines the payment of bonuses to Executive Directors and considers the allocation of share options to Directors and employees.

INTERNAL FINANCIAL CONTROL

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the Directors have established with a view to providing effective internal financial control are as follows:

- The Group's organisational structure has clear lines of responsibility.
- The Company prepares a comprehensive annual budget that is approved by the Board. Monthly results are reported against the budget and variances are closely monitored by the Directors.
- The Board is responsible for identifying the major business risks faced by the Company and for determining the appropriate courses of action to manage those risks.
- The Board is involved in regular subsidiary company Board meetings and with structured operational reporting requirements.

The Directors recognise, however, that such a system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the system of internal financial control that will be operated by the Group.

SERVICE CONTRACTS

The Directors have service contracts and letters of appointment, which require not less than 3 months' notice of termination.

MODEL CODE

The Company has adopted and operates a share dealing code for Directors and senior executives on the same terms as the London Stock Exchange Model Code for companies whose shares have been admitted to AIM.

RELATIONS WITH SHAREHOLDERS

Communications with shareholders are given high priority. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chairman aims to ensure that the Directors are available at Annual General Meetings to answer questions.

Dato' Dr. Wan Azmi bin Ariffin
(Non-Executive Chairman)

Dato' Dr. Wan Azmi bin Ariffin, a Malaysian aged 65, is the Non-Executive Chairman of the Company. He began his career as a teacher for secondary schools from 1965 to 1977 and later became a university lecturer from 1979 to 1981. Since then, he has been active in the Malaysian politics. He obtained his Bachelor Degree in Geography from Universiti Sains Malaysia and a Master's Degree in Economic Development and a PhD in Political Economics from McGill University, Canada.

Dato' Hussian @ Rizal bin A. Rahman
(Chief Executive Officer)

Dato' Hussian @ Rizal bin A. Rahman, a Malaysian aged 47, is the Chief Executive Officer of the Group. He has extensive experience in the IT and telecommunications industries in Malaysia and is responsible for the development of the Group's overall management, particularly in setting the Group's business direction and strategies. He obtained a certified Master of Business Administration from the Oxford Association of Management, England.

Derrick Chia Kah Wai
(Technical Director)

Derrick Chia Kah Wai, a Malaysian aged 38, is the Technical Director of the Group. He began his career as a programmer in 1994, he then joined GHL Systems Berhad in January 1998 as a Software Engineer and was promoted to Software Development Manager in December 1999. He obtained his Bachelor Degree in Commerce, majoring in Management Information System from University of British Columbia, Canada. He joined the Group in May 2005 and is responsible for the Group's R&D team which include the architectural design of its technology platform.

Seah Boon Chin
(Corporate Finance Director)

Seah Boon Chin, a Malaysian aged 37, is the Corporate Finance Director of the Company. He began his career as a senior officer with Chung Khiaw Bank (Malaysia) Bhd. (now United Overseas Bank (Malaysia) Berhad) from 1995 to 1996. From 1997 to January 2007, he worked in the Corporate Finance Department of established financial institutions in Malaysia and Singapore including CIMB Investment Bank Berhad, Affin Investment Bank Berhad and Public Investment Bank Berhad. He obtained his Bachelor Degree in Commerce (Honours) with Distinction from McMaster University, Canada. He joined the Group in January 2007 and is responsible for the Group's corporate finance activities.

Dato' Shamsir bin Omar
(Non-Executive Director)

Dato' Shamsir bin Omar, a Malaysian aged 74 is a Non-Executive Director of the Group. He commenced his career with the Malaysian Government in August 1960 as the Auditor and Accountant in the Department of Cooperative Development. In 1966, he was appointed as the Chief Accountant in the Ministry of Education, Malaysia. In 1967, he was promoted to the position of Deputy Accountant General in the Ministry of Finance, Malaysia. In 1968, he became the Accountant General, Malaysia, a post he held for 22 years until his retirement in July 1989. After retirement from government service in 1989, he joined Shamsir Jasani Grant Thornton, Malaysia. He has been the accounting firm's Chairman since then. He is a fellow member of the Institute of Chartered Accountants in Australia.

Kjetil Langland Bohn
(Non-Executive Director)

Kjetil Langland Bohn, a Norwegian aged 39 is a Non-Executive Director of the Company. He graduated from the Norwegian Business School in Bergen and began his career as a journalist with Hegnar Media AS from 1996 to 2000. In July 2000 he founded Viva Technologies AS and acted as CEO until February 2004 prior to its acquisition. He has extensive experience within the mobile service industry and mobile VoIP in Europe and Asia. He is currently the CEO of AIM quoted Vyke Communications plc.

We have audited the Group and the Company financial statements of MobilityOne Limited for the year ended 31 December 2008 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement, Company Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out on page 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991 and Article 4 of the IAS regulation. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, Corporate Governance Report and Directors' Report. Our responsibility does not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group's financial statements, and of whether the accounting policies are appropriate to the Group's and the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group's financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the Group's financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of affairs of the Group as at 31 December 2008 and of the profit of the Group for the period then ended;

- the Company's financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, as applied in accordance with the provisions of the Companies (Jersey) Law 1991, of the state of the Company's affairs as at 31 December 2008;

- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991 and, in relation to the Group financial statements, Article 4 of the IAS regulation; and

- the information given in the Report of the Directors is consistent with the financial statements.

Jeffreys Henry LLP
Finsgate
Chartered Accountants and Registered Auditors
5-7 Cranwood Street
London
EC1V 9EE

Date: 25 June 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Note	2008 £	Restated 2007 £
Revenue		12,460,925	16,573,813
Cost of sales		(11,608,785)	(14,448,152)
GROSS PROFIT		852,140	2,125,661
Other operating income		136,014	46,002
Administration expenses		(1,343,110)	(1,254,473)
Other operating expenses		(512,744)	(100,673)
OPERATING (LOSS)/PROFIT		(867,700)	816,517
Finance costs	6	(48,347)	(51,260)
(LOSS)/PROFIT BEFORE TAX	7	(916,047)	765,257
Tax	8	36,895	(32,168)
(LOSS)/PROFIT FOR THE YEAR		(879,152)	733,089
Attributable to:			
Equity holders of the Company		(876,818)	733,089
Minority interest		(2,334)	-
		(879,152)	733,089
EARNINGS PER SHARE	10		
Basic earnings per share (pence)		(1.10)	0.84
Diluted earnings per share (pence)		(1.10)	0.84

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *For the year ended 31 December 2008*

	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority interest £	Total £
	Non-Distributable				Distributable			
As at 1 January 2007	2,017,021	911	-	(162,608)	1,078,346	2,933,670	-	2,933,670
Profit for the year	-	-		31,651	733,089	764,740	-	764,740
Capitalised as bonus issue in subsidiary company	438,905	-	-	-	(438,903)	2	-	2
Conversion of redeemable preference shares in subsidiary company	293,044	-	-	-	-	293,044	-	293,044
Reverse acquisition	(708,040)	(911)	708,951	-	-	-	-	-
Issue of shares in MobilityOne Limited	307,500	782,234	-	-	-	1,089,734	-	1,089,734
Foreign currency translation	-	-	-	202,524	-	202,524	-	202,524
As at 31 December 2007	2,348,430	782,234	708,951	71,567	1,372,532	5,283,714	-	5,283,714

	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority interest £	Total £
	Non-Distributable				Distributable			
As at 1 January 2008	2,348,430	782,234	708,951	71,567	1,372,532	5,283,714	-	5,283,714
Acquisition of subsidiary company	-	-	-	-	-	-	3,184	3,184
Loss for the year	-	-	-	147,084	(876,818)	(729,734)	(2,334)	(732,068)
Share buyback in MobilityOne Limited	(374,056)	-	-	-	(1,018,930)	(1,392,986)	-	(1,392,986)
Foreign currency translation	-	-	-	830,706	-	830,706	-	830,706
As at 31 December 2008	1,974,374	782,234	708,951	1,049,357	(523,216)	3,991,700	850	3,992,550

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 balance sheet were translated into Pound Sterling (£) using the closing rate as at the balance sheet 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.

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Note	2008 £	Restated 2007 £
ASSETS			
Non-current assets			
Intangible assets	11	2,272,547	1,689,011
Property, plant and equipment	12	1,105,264	1,121,909
Prepaid lease payments	13	-	167,555
		3,377,811	2,978,475
Current assets			
Inventories	15	878,777	918,118
Trade receivables	16	415,289	160,799
Other receivables	17	48,233	1,572,723
Tax recoverable		8,179	6,754
Available for sale financial asset	19	-	45,514
Cash and cash equivalents	20	410,085	348,476
		1,760,563	3,052,384
Non-current assets held for sale	21	413,084	-
		2,173,647	3,052,384
LIABILITIES			
Current liabilities			
Trade payables	22	325,394	151,181
Other payables	23	222,259	51,561
Amount due to Directors	24	106,129	-
Borrowings – secured	25	688,273	359,678
		1,342,055	562,420
Liability relating to non-current assets held for sale	21	36,808	-
		1,378,863	562,420
NET CURRENT ASSETS		794,784	2,489,964
Total assets less current liabilities		4,172,595	5,468,439
Non-current liabilities			
Borrowings – secured	25	180,045	150,137
Deferred tax liability	26	-	34,588
		180,045	184,725
NET ASSETS		3,992,550	5,283,714

The notes form part of these financial statements

	Note	2008 £	Restated 2007 £
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the Company:			
Called up share capital	27	1,974,374	2,348,430
Share premium	29	782,234	782,234
Reverse acquisition reserve	30	708,951	708,951
Foreign currency translation reserve	36	1,049,357	71,567
Retained earnings	37	(523,216)	1,372,532
Shareholders' equity		3,991,700	5,283,714
Minority interest		850	-
TOTAL EQUITY		3,992,550	5,283,714

The notes form part of these financial statements

COMPANY BALANCE SHEET

As at 31 December 2008

	Note	2008 £	2007 £
ASSETS			
Non-current asset			
Investment in subsidiary companies	14	2,040,930	2,040,930
Current assets			
Amount due from subsidiary company	18	1,318,591	1,010,033
Cash and cash equivalents	20	3,417	62,742
		1,322,008	1,072,775
Current liabilities			
Other payables	23	46,775	-
Amount due to directors	24	86,125	-
		132,900	-
NET CURRENT ASSETS		1,189,108	1,072,775
NET ASSETS		3,230,038	3,113,705
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the Company:			
Called up share capital	27	1,974,374	2,348,430
Share premium	29	782,234	782,234
Retained earnings	29	473,430	(16,959)
TOTAL EQUITY		3,230,038	3,113,705

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2008

	Note	2008 £	Restated 2007 £
Cash flow from operating activities			
Cash generated from/(depleted in) operations	31	2,060,020	(672,251)
Interest paid		(48,347)	(51,260)
Interest received		14,963	625
Net cash generated from/(used in) operating activities		2,026,636	(722,886)
Cash flows from investing activities			
Purchase of property, plant and equipment		(152,253)	(669,977)
Purchase of available for sale financial asset		-	(45,514)
Proceeds from disposal of property, plant and equipment		9,053	-
Proceeds from disposal of available for sale financial asset		60,252	-
Addition to development costs		(178,289)	(68,995)
Net cash used in investing activities		(261,237)	(784,486)
Cash flows from financing activities			
Drawdown of short term borrowings		126,028	-
Drawdown of term loan		136,030	-
Repayment of term loan		(68,649)	(172,960)
Share buyback		(1,392,986)	-
Proceeds from issuance of ordinary shares (net of listing expenses)		-	1,089,734
Net cash generated from financing activities		(1,199,577)	916,774
Increase/(decrease) in cash and cash equivalents		565,822	(590,598)
Effect of foreign exchange rate changes		(504,213)	70,907
Cash and cash equivalents at beginning of year		348,476	868,167
Cash and cash equivalents at end of year	20	410,085	348,476

The notes form part of these financial statements

COMPANY CASH FLOW STATEMENT

For the year ended 31 December 2008

	Note	1.1.2008 TO 31.12.2008 £	22.3.2007 TO 31.12.2007 £
Cash flow from operating activities			
Cash depleted in operations	31	(158,115)	(1,026,992)
Cash flows from investing activity			
Dividends received		1,486,023	-
Cash flows from financing activities			
Share buyback		(1,392,986)	-
Proceeds from issuance of ordinary shares (net of listing expenses)		-	1,089,734
Decrease/increase in cash and cash equivalents		(65,078)	62,742
Effect of foreign exchange rate changes		5,753	-
Cash and cash equivalents at beginning of year		62,742	-
Cash and cash equivalents at end of year	20	3,417	62,742

The notes form part of these financial statements

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 14 to the financial statements. There were no significant changes in the nature of these activities during the year.

The Company is incorporated in Jersey, The Channel Islands under the Companies (Jersey) Law 1991. The registered office is located at 28-34 Hill Street, St Helier, Jersey JE4 8PN, Channel Islands. The consolidated financial statements for the year ended 31 December 2008 comprise the results of the Company and its subsidiary companies undertakings. The Company's shares are traded on AIM of the London Stock Exchange.

MobilityOne Limited is the holding company of an established group of companies ("Group") based in Malaysia which 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 solutions 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 Machine and Internet banking.

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

2. ACCOUNTING POLICIES

Basis of preparation

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.

Going concern

These financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have looked at a period of twelve months from the date of approval of this report.

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.

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are as follows:

(i) Acquisition of subsidiary companies

Intangible assets acquired have been accounted for in accordance with IFRS 3 'Business Combinations' and IAS 38 'Intangible Assets'. The key assumptions are the identifiable intangible assets acquired, forecast future cash flows and the discount rate. The carrying amounts of the Group's intangible assets as at 31 December 2008 are disclosed in Note 11 to the financial statements.

(ii) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment as at 31 December 2008 are disclosed in Note 12 to the financial statements.

(iii) Amortisation of prepaid lease payments

The costs of prepaid lease payments of the Group are amortised on a straight-line basis over the useful lives of the assets. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amounts of the Group's prepaid lease payments as at 31 December 2008 are disclosed in Note 13 to the financial statements.

(iv) Amortisation of intangible assets

Software is amortised over its estimated useful life. Management estimated the useful life of this asset to be within 5 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.

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements (continued)

The carrying amounts of the Group's intangible assets as at 31 December 2008 are disclosed in Note 11 to the financial statements.

(v) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) Current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; or

(b) Recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(vi) 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.

The carrying amount of the Group's goodwill on consolidation as at 31 December 2008 is disclosed in the Note 11 to the financial statements.

(vii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements (continued)

(viii) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

The Directors are of the opinion that provision are not required in respect of the contingent liabilities as disclosed in Note 35 as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

IFRS AND IAS UPDATE FOR 31 DECEMBER 2008 ACCOUNTS

(a) Standards and interpretations effective in 2008

There is no standard and interpretations beginning on or after 1 January 2008 that is relevant to the Group operations.

(b) Standards and amendments early adopted by the Group

The Group has not early adopted any standards or amendments.

(c) Interpretations effective in 2008 but not relevant

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the Group's operations:
- IFRIC 12, 'Service concession arrangements';
- IFRIC 13, 'Customer loyalty programmes'; and
- IFRIC 14 IAS 19, 'The limit on a defined asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

(d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:
- IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009).
- IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009).
- IFRS 8, 'Operating segments', (effective from 1 January 2009).
- IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009).
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009).
- IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009).
- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009).

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2008 ACCOUNTS (continued)

- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting'.

(e) Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

- IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009).
- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009).
- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendments to IFRS 1, 'First-time adoption')(effective from 1 July 2009).
- IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009).
- IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009).
- IAS 19 (Amendment), 'Employees benefits' (effective from 1 January 2009).
- IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009).
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009).
- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009).
- IAS 31 (Amendment), 'Interest in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009).
- IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009).
- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009).
- IFRIC 15, 'Agreements for construction of real estate' (effective from 1 January 2009).
- The minor amendments to IAS 20 'Accounting for government grants and disclosure of government assistance', and IAS 20, 'Financial reporting in hyperinflationary economies', IAS 40, ' Investment property', and IAS 41, 'Agriculture'.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary companies) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

2. ACCOUNTING POLICIES (Continued)

Basis of consolidation (continued)

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of its subsidiary companies have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

(i) Subsidiary companies

Subsidiary companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The share capital in the consolidated statement of changes in equity for the both the current and comparative period uses a historic exchange rate to determine the equity value.

On 22 June 2007 MobilityOne Limited acquired the entire issued share capital of MobilityOne Sdn. Bhd. by way of a share for share exchange, under IFRS this transaction meets the criteria of a Reverse Acquisition. The consolidated accounts have therefore been presented under the Reverse Acquisition Accounting principles of IFRS 3 and show comparatives for MobilityOne Sdn. Bhd.. For financial reporting purposes, MobilityOne Sdn. Bhd. (the legal subsidiary company) is the acquirer and MobilityOne Limited (the legal parent company) the acquiree.

The consolidated financial statements prepared following the acquisition issued in the name of MobilityOne Limited, but they are a continuance of the financial statements of MobilityOne Sdn. Bhd.. Therefore the assets and liabilities of MobilityOne Sdn. Bhd. have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of MobilityOne Sdn. Bhd. immediately before the business combination.

The amount recognised as issued equity instruments in these consolidated financial statements has been determined by adding the issued equity of MobilityOne Sdn. Bhd. immediately before the business combination to the cost of the consideration as set out on note 27. However, the equity structure appearing in these consolidated financial statements (the number and type of equity instruments issued) reflect the equity structure of MobilityOne Limited, including equity instruments issued by the Company to effect the consolidation.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring the accounting policies used into line with those used by the Group.

All inter-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated fully on consolidation.

2. ACCOUNTING POLICIES (Continued)

Basis of consolidation (continued)

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

No goodwill has been recorded and the difference between the parent Company's cost of investment and MobilityOne Sdn. Bhd.'s share capital and share premium is presented as a reverse acquisition reserve within equity on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and all entities controlled by it after eliminating internal transactions. Control is achieved where the Group has the power to govern the financial and operating policies of a Group undertaking so as to obtain economic benefits from its activities. Undertakings' results are adjusted, where appropriate, to conform to Group accounting policies.

As permitted by and in accordance with Article 110 of the Companies (Jersey) Law 1991, a separate profit and loss account of MobilityOne Limited, is not presented.

Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

(i) Revenue from trading activities

Revenue in respect of using the Group's e-Channel platform arises from the sales of prepaid credit, sales commissions received and fees per transaction charged to customers. Revenue for sales of prepaid credit is deferred until such time as the products and services are delivered to end users. Sales commissions and transaction fees are received from various product and services providers and are recognised when the services are rendered and transactions are completed.

Revenue from solution sales and consultancy comprise sales of software solutions, hardware equipment, consultancy fees and maintenance and support services. For sales of hardware equipment, revenue is recognised when the significant risks associated with the equipment are transferred to customers or the expiry of the right of return. For all other related sales, revenue is recognised upon delivery to customers and over the period in which services are expected to be provided to customers.

(ii) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such

2. ACCOUNTING POLICIES (Continued)

Employee benefits (continued)

as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the period to which they relate. The other subsidiary companies also make contribution to their respective countries' statutory pension schemes.

Finance leases

Assets financed by leasing arrangements, which give rights approximating to ownership, are treated as if they had been purchased outright and are capitalised and depreciated over the shorter of the estimated useful life of the assets and the period of the leases. The capital element of future rentals is treated as a liability and the interest element is charged against profits in proportion to the balances outstanding. The rental costs of all other leased assets are charged against profits on a straight-line basis over the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement.

Functional currency translation

(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 balance sheet 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.

2. ACCOUNTING POLICIES (Continued)

Functional currency translation (continued)

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

	Exchange rate (RM: £)	
	At balance sheet date	Average for year
Year ended 31 December 2008	5.00	6.16
Year ended 31 December 2007	6.62	6.87

Taxation

Taxation on the profit or loss 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 balance sheet date.

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

Intangible assets

(i) 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.

2. ACCOUNTING POLICIES (continued)

Intangible assets (continued)

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 balance sheet date.

(ii) Goodwill on consolidation

Goodwill acquired in a business combination is initially measured at cost, representing the excess of the purchase price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired, in accordance with the accounting policy disclosed in impairment of assets.

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has an indefinite useful life, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the income statement in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Building	50 years
Electronic Data Capture equipment	10 years
Computer equipment	5 years
Computer software	10 years
Furniture and fittings	10 years
Office equipment	10 years
Renovation	10 years

The depreciable amount is determined after deducting the residual value.

2. ACCOUNTING POLICIES (Continued)

Property, plant and equipment (continued)

Depreciation methods, useful lives and residual values are reassessed at each financial period end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the income statement. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the distribution reserve.

Investments

Investments in subsidiary companies are stated at cost less any provision for impairment.

Prepaid lease payments

Leasehold land that normally has an indefinite economic life and its title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that is amortised over the lease term except for leasehold land classified as investment property. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification.

Available for sale financial assets

The Group's investment in equity securities and certain debt securities are classified as available for sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available for sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. If an equity instrument cannot be reliably measured, then it is carried at amortised cost.

Inventories

Inventories are valued at the lower of cost and net realisable value and are determined on the first-in-first-out method, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at their cost when the contractual right to receive cash or other financial assets from another entity is established.

A provision for doubtful debts is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a trade and other receivables are impaired.

2. ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which have an insignificant risk of changes in value and bank overdrafts. For the purpose of cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded a met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Trade and other payables

Trade and other payables are recognised initially at fair value of the consideration to be paid in the future for goods and services received.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawndown from those borrowings.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate which is weighted on the borrowing costs applicable to the Group's borrowings that are outstanding during the financial period, other than borrowings made specifically for the purpose of acquiring another qualifying asset.

Borrowing costs which are not eligible for capitalisation are recognised as an expense in the income statement in the period in which they are incurred.

Equity instruments

Instruments that evidence a residual interest in the assets of the Group after deducting all of its liabilities are classified as equity instruments. Issued equity instruments are recorded at proceeds received net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of value added tax, from the proceeds.

2. ACCOUNTING POLICIES (Continued)

Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, deposits, investments, receivables, payables and borrowings. Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

Share based payments

Charges for employees services received in exchange for share based payments have been made for all options granted in accordance with IFRS 2 "Share Based Payments" options granted under the Group's employee share scheme are equity settled. The fair value of such options has been calculated using a Black-Scholes model, based upon publicly available market data, and is charged to the income statement over the vesting period.

3. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company's operations whilst managing its financial risks, including interest rate risk, credit risk, foreign currency exchange risk, liquidity and cash flow risk and capital risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

3. FINANCIAL INSTRUMENTS (Continued)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

At 31 December 2008	Note	WAEIR %	Within 1 year £	1-2 years £	2-3 years £	3-4 years £	4-5 years £	More than 5 years £	Total £
Fixed rate:									
Fixed deposit	20	3.10	216,098	-	-	-	-	-	216,098
Term loans	25	5.97	(68,496)	(30,245)	-	-	-	-	(98,741)
Floating rate:									
Bankers' acceptance	25	6.71	(587,130)	-	-	-	-	-	(587,130)
Term loans	25	9.34	(32,647)	(32,647)	(32,647)	(32,647)	(32,647)	(19,212)	(182,447)
At 31 December 2007									
Fixed rate:									
Fixed deposit	20	3.10	162,443	-	-	-	-	-	162,443
Floating rate:									
Bankers' acceptance	25	6.14	(348,308)	-	-	-	-	-	(348,308)
Term loans	25	7.84	(24,661)	(24,661)	(24,661)	(24,661)	(24,661)	(38,202)	(161,507)

3. FINANCIAL INSTRUMENTS (Continued)

(c) Credit risk

The Group's and the Company's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due. At each balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the balance sheet.

(d) Foreign currency exchange risk

The Group and the Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily US dollars. The Group and the Company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Group does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

The net unhedged financial asset of the Group that are denominated in its functional currency are as follows:

	Net Financial Asset Held in Non-Functional Currency	
	US Dollars	**Total**
	£	**£**
Group		
At 31 December 2008		
Trade receivables	8,204	8,204
Group		
At 31 December 2007		
Trade receivables	-	-

(e) Liquidity and cash flow risks

The Group and the Company seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's and the Company's ability to repay and/or refinance.

The Group and the Company also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

3. FINANCIAL INSTRUMENTS (Continued)

(f) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(g) The carrying amounts of financial liabilities of the Group and the Company at the balance sheet date approximated their fair values except for the following:

The aggregate fair values of the other financial liabilities are as follows:

	2008		2007	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
Group				
Financial liabilities				
Bank borrowings	180,045	147,591	150,137	123,484
Contingent liabilities	134,019	@	7,556	@

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual outcome.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) The carrying amounts of cash and cash equivalents, trade and other receivables/payables and short term borrowings approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

4. EMPLOYEES AND DIRECTORS

	Group 2008 £	Group 2007 £
EMPLOYEE		
Wages, salaries and bonuses	270,912	363,911
Social security contribution	3,182	4,381
Contribution to defined contribution plan	29,150	43,538
Other staff related expenses	34,577	-
	337,821	411,830
Less: Capitalised in development costs	(73,543)	(55,097)
	264,278	356,733
DIRECTORS		
Fees	120,295	58,498
Wages, salaries and bonuses	98,047	45,808
Social security contribution	235	90
Contribution to defined contribution plan	9,946	5,497
Total remuneration	228,523	109,893
Less: Capitalised in development costs	(23,589)	(14,660)
	204,934	95,233

5. 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.

6. FINANCE COSTS

	Group 2008 £	Group 2007 £
Redeemable cumulative convertible preference shares dividend	-	12,997
Bankers' acceptance interest	28,549	25,219
Term loans interest	19,798	13,044
	48,347	51,260

7. (LOSS)/PROFIT BEFORE TAX

The (loss)/profit before tax is stated after charging/(crediting):

	Group	
	2008	**2007**
	£	**£**
Auditors' remuneration	12,424	2,836
Auditors' remuneration underprovided in respect of the company for 2007	9,000	-
Employee benefits expense (excluding Directors' remuneration)	264,278	356,733
Directors' remuneration	204,934	95,233
Depreciation	170,448	84,330
Amortisation of prepaid lease payments	2,920	2,617
Amortisation of intangible assets	61,996	55,558
Amortisation of development costs	55,553	-
Property, plant and equipment written off	94,842	-
Inventories written off	123,519	-
Operating lease expense	21,340	18,485
Interest income	(14,963)	(625)
Rental income	(2,840)	-
Grant income	(111,416)	(43,632)
Loss/(gain) on foreign exchange		
- realised	2,267	-
- unrealised	(5,753)	-

Included in the audit fee for the Group is an amount of £9,000 in respect of the Company.

8. TAX

	Group 2008 £	Group 2007 £
Current tax expense:		
UK corporation tax for the year	-	-
Foreign tax	-	-
Underprovision in prior years: Foreign tax	253	1,724
	253	1,724
Deferred tax:		
- relating to origination and reversal of temporary differences	-	592
- effect of changes in tax rate	-	(1,233)
- (over)/underprovision in prior year	(37,148)	31,085
	(37,148)	30,444
	(36,895)	32,168

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	Group 2008 £	Group 2007 £
(Loss)/profit before tax	(916,047)	765,257
Taxation at UK Corporation tax rate of 28.5% (2007: 30%)	(261,072)	229,577
Effect of different tax rates in other countries	15,403	(25,321)
Tax benefit applicable to small and medium companies	-	(73)
Pioneer status tax incentive	(28,968)	(229,744)
Effect of expenses not deductible for tax	150,160	26,153
Effect of changes in tax rate	-	(1,233)
Deffered tax not recognised in respect of current year's tax losses and unabsorded capital allowances	194,663	-
Temporary differences in respect of property, plant and equipment not recognised	(70,186)	-
Underprovision of tax expenses in prior year	253	1,724
(Over)/underprovision of deferred tax in prior year	(37,148)	31,085
Tax expense for the year	(36,895)	32,168

Current income tax is calculated at the weighted average tax rate of 28.5% (2007: 30%), as the rate changed to 28% from April 2008.

The direct subsidiary company, MobilityOne Sdn. Bhd., was granted Pioneer Status by the relevant authorities for a period of five years effective from 27 April 2005 to 26 April 2010.

9. LOSS OF COMPANY

The income statement of the Company is not presented as part of these financial statements. The Company's profit for the financial year was £1,509,319 (2007: loss for the financial period was £16,959).

10. EARNINGS PER SHARE

	Group	
	2008	**2007**
Consolidated (loss)/profit after taxation (£)	(876,818)	733,089
Adjusted consolidated (loss)/profit after taxation (£)	(876,818)	733,089
Weighted average number of shares in issue	79,547,278	87,669,255
Fully diluted weighted average number of shares in issue	79,547,278	87,669,255
Basic earnings per share (pence)	(1.10)	0.84
Diluted earnings per share (pence)	(1.10)	0.84

The basic earnings per share is calculated by dividing the loss of £876,818 (2007: profit of £733,089) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 79,547,278 (2007: 87,669,255).

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 2008, 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.

11. INTANGIBLE ASSETS

	Software £	Goodwill on consolidation £	Development costs £	Total £
Cost				
At 1 January 2008	385,028	1,030,346	273,637	1,689,011
Additions	-	3,184	178,289	181,473
Foreign exchange difference	110,263	333,659	75,690	519,612
Balance at 31 December 2008	495,291	1,367,189	527,616	2,390,096
Amortisation and impairment losses	61,996	-	55,553	117,549
Net book value at 31 December 2008	433,295	1,367,189	472,063	2,272,547
Cost				
At 1 January 2007				
-as previously stated	-	986,129	195,861	1,181,990
-transfer from property, plant and equipment (Note 12)	423,753	-	-	423,753
-as restated	423,753	986,129	195,861	1,605,743
Additions	-	-	68,995	68,995
Foreign exchange difference	16,833	44,217	8,781	69,831
Balance at 31 December 2007	440,586	1,030,346	273,637	1,744,569
Amortisation and impairment losses	55,558	-	-	55,558
Net book value at 31 December 2007	385,028	1,030,346	273,637	1,689,011

During the financial year ended 31 December 2008, certain software which previously classified as property, plant and equipment was transferred to intangible asset in compliance with IAS 38, Intangible Assets. The reclassification of software as intangible asset has been accounted for retrospectively. Accordingly, certain comparative figures have been reclassified as disclosed in Note 38.

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. If an indication exists an impairment review is carried out. At the year end, there was no indication of impairment of the value of goodwill on consolidation or of development costs.

Goodwill on consolidation

(a) Impairment testing for goodwill on consolidation

Goodwill on consolidation has been allocated for impairment testing purposes to the individual entities which is also the cash-generating units ("CGU") identified.

11. INTANGIBLE ASSETS (Continued)

(b) Key assumptions used to determine recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors covering an eighteen month period. The 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 into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired. A pre-tax discount rate of 8.50% per annum was applied to the cash flow projections, after taking into consideration the Group's cost of borrowings, the expected rate of return and various risks relating to the CGU.

During the financial year, the Group did not recognise any impairment loss in respect of the goodwill on consolidation.

A significant proportion of goodwill on consolidation relates to the acquisition of Netoss Sdn. Bhd. which is a CGU and has a carrying amount of £1,364,005. It's recoverable amount has been determined based on value in use using cash flow projections and key assumptions as described in (b) above.

Development costs

Development costs will not be amortised if the product is still in its development phase. The amortisation of the development costs is over 5 years period, which in the opinion of the Directors is adequate.

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2008	Building £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
COST								
At 1 January 2008	156,415	184,861	323,512	551,139	35,050	22,340	28,982	1,302,299
Additions	-	87,894	15,575	351	26,455	48	21,930	152,253
Transfer to non-current assets held for sale (Note 21)	(207,067)	-	-	-	-	-	-	(207,067)
Disposals	-	-	(14,894)	-	-	-	-	(14,894)
Written off	-	-	(270,870)	(5,081)	-	-	-	(275,951)
Foreign exchange difference	50,652	59,864	104,765	178,475	11,350	7,235	9,385	421,726
At 31 December 2008	-	332,619	158,088	724,884	72,855	29,623	60,297	1,378,366
DEPRECIATION								
At 1 January 2008	6,086	31,965	122,250	3,359	6,649	4,447	5,634	180,390
Charge for the period								
-recognised in income statement	3,360	26,843	68,917	59,221	5,411	2,402	4,294	170,448
-recognised in development cost	-	-	1,672	-	-	-	-	1,672
Transfer to non-current assets held for sale (Note 21)	(12,198)	-	-	-	-	-	-	(12,198)
Disposals	-	-	(6,612)	-	-	-	-	(6,612)
Written off	-	-	(158,007)	(1,041)	-	-	-	(159,048)
Foreign exchange difference	2,752	16,596	56,007	14,863	3,410	1,999	2,823	98,450
At 31 December 2008	-	75,404	84,227	76,402	15,470	8,848	12,751	273,102
NET CARRYING AMOUNT								
At 31 December 2008	-	257,215	73,861	648,482	57,385	20,775	47,546	1,105,264

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 31 December 2007	Building £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
COST								
At 1 January 2007								
-as previously stated	149,702	95,307	273,649	562,950	30,714	18,977	26,355	1,157,654
-transferred to intangible assets (Note 11)	-	-	-	(552,470)	-	-	-	(552,470)
-as restated	149,702	95,307	273,649	10,480	30,714	18,977	26,355	605,184
Additions	-	85,280	37,594	540,189	2,958	2,512	1,444	669,977
Disposals	-	-	-	-	-	-	-	-
Foreign exchange difference	6,713	4,274	12,269	470	1,378	851	1,183	27,138
At 31 December 2007	156,415	184,861	323,512	551,139	35,050	22,340	28,982	1,302,299
DEPRECIATION								
At 1 January 2007								
-as previously stated	2,831	18,427	57,886	130,298	3,156	2,272	2,636	217,506
-transferred to intangible assets (Note 11)	-	-	-	(128,717)	-	-	-	(128,717)
-as restated	2,831	18,427	57,886	1,581	3,156	2,272	2,636	88,789
Charge for the period	3,011	12,236	59,450	1,641	3,225	1,995	2,772	84,330
Disposals	-	-	-	-	-	-	-	-
Foreign exchange difference	244	1,302	4,914	137	268	180	226	7,271
At 31 December 2007	6,086	31,965	122,250	3,359	6,649	4,447	5,634	180,390
NET CARRYING AMOUNT								
At 31 December 2007	150,329	152,896	201,262	547,780	28,401	17,893	23,348	1,121,909

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The net carrying amount of property, plant and equipment pledged as security for borrowings (Note 25) are as follows:

	Group	
	2008	2007
	£	£
Long term leasehold building	-	150,329
Electronic Data Capture equipment	159,579	-
	159,579	150,329

13. PREPAID LEASE PAYMENTS

	Group	
	2008	2007
	£	£
COST – LEASEHOLD LAND		
At 1 January	171,887	164,511
Additions	-	-
Transfer to non-current assets held for sale (Note 21)	(227,550)	-
Foreign exchange difference	55,663	7,376
At 31 December	-	171,887
AMORTISATION – LEASEHOLD LAND		
At 1 January	4,332	1,544
Amortisation for the year	2,920	2,617
Transfer to non-current assets held for sale (Note 21)	(9,335)	-
Foreign exchange difference	2,083	171
At 31 December	-	4,332
NET CARRYING AMOUNT		
At 31 December	-	167,555

14. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2008 £	Company 2007 £
COST		
At 1 January	2,040,930	2,040,930

Name of Subsidiary Company	Country of Incorporation	Effective Ownership Interest 2008 (%)	Effective Ownership Interest 2007 (%)	Principal Activities
MobilityOne Sdn. Bhd.	Malaysia	100	100	Provision of e-Channel products and services, technology managed services and solution sales and consultancy
Direct subsidiary company of MobilityOne Sdn. Bhd.				
Netoss Sdn. Bhd.	Malaysia	100	100	Provision of solution sales and services
Pay Station Sdn. Bhd. (Formerly known as Versatel Sdn. Bhd.)	Malaysia	100	-	Dormant
PT. MobilityOne Indonesia	Indonesia	95	-	Provision of e-Channel products and services, technology managed services and solution sales and consultancy

15. INVENTORIES

	Group 2008 £	Group 2007 £
At Cost:		
Air time	343,786	400,866
Software	534,991	517,189
Others	-	63
	878,777	918,118

16. TRADE RECEIVABLES

The Group's and the Company's normal trade credit terms range from 30 to 60 days (2007: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis.

17. OTHER RECEIVABLES

	Group	
	2008	2007
	£	£
Sundry receivables	15,138	1,502,105
Deposits	18,175	57,521
Prepayments	14,920	13,097
	48,233	1,572,723

18. AMOUNT DUE FROM SUBSIDIARY COMPANY

This represents unsecured interest free advances with no fixed term of repayment.

19. AVAILABLE FOR SALE FINANCIAL ASSET

	Group	
	2008	2007
	£	£
At cost:		
Quoted unit trusts in Malaysia	-	45,514
At market value:		
Quoted unit trusts in Malaysia	-	45,514

The recoverable amount of the available for sale financial assets is based on its fair value less cost to sell by reference to its market price at balance sheet date.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Cash in hand and at banks	93,965	186,033	3,417	62,742
Fixed deposits with licensed banks	316,120	162,443	-	-
	410,085	348,476	3,417	62,742

The above fixed deposits have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

Included in fixed deposits with licensed banks is an amount of £100,022 (2007: Nil) which not entitled to any deposit interest and with no maturity date.

The Group's weighted effective interest rates and maturities of deposits are 3.1% (2007: 3.1%) and 1 month (2007: 1 month) respectively.

21. NON-CURRENT ASSETS HELD FOR SALE

The Group's normal trade credit terms range from 60 to 90 days (2006: 60 to 90 days).

	Group	
	2008	2007
	£	£
Property, plant and equipment (Note 12)	194,869	-
Prepaid lease payment (Note 13)	218,215	-
	413,084	-
Deposits classified as held for sale (Note 23)	(36,808)	-
	376,276	-

(a) The land titles of the leasehold land is still in the process of being registered in the name of MobilityOne Sdn. Bhd..

(b) The leasehold land and building have been pledged to a licensed bank for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

22. TRADE PAYABLES

The Group's normal trade credit terms range from 60 to 90 days (2007: 60 to 90 days).

23. OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Sundry payables	204,452	47,602	34,375	-
Deposits	37,474	-	-	-
Accruals	17,141	3,959	12,400	-
	259,067	51,561	46,775	-
Deposits classified as held for sale (Note 21)	(36,808)	-	-	-
	222,259	51,561	46,775	-

24. AMOUNT DUE TO DIRECTORS

These are unsecured, interest free and repayable on demand.

25. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	2008	2007
	£	£
Non-Current		
Secured:		
Term loans	180,045	150,137
Bankers' acceptance	-	-
	180,045	150,137
Current		
Secured:		
Term loans	101,143	11,370
Bankers' acceptance	587,130	348,308
	688,273	359,678

25. FINANCIAL LIABILITIES - BORROWINGS (Continued)

	Group	
	2008	**2007**
	£	**£**
Total Borrowings		
Secured:		
Term loans	281,188	161,507
Bankers' acceptance	587,130	348,308
	868,318	509,815

The above credit facilities from licensed bank are secured by the following:
(a) fixed charge over the subsidiary company's long term leasehold land and building;
(b) pledge of Electronic Data Capture equipment of the subsidiary company;
(c) pledge of fixed deposits of the subsidiary company;
(d) personal guarantee by a Director of the subsidiary company; and
(e) corporate guarantee by the Company.

The weighted average effective interest rates of the Group for the above facilities are as follows:

	Group	
	2008	**2007**
	%	**%**
Term loans	7.66	7.84
Bankers' acceptance	6.71	6.14

The maturity of borrowings is as follows:

	Group	
	2008	**2007**
	£	**£**
Within one year	688,273	359,678
Between one and two years	62,892	12,374
Between two and five years	97,941	44,080
After five years	19,212	93,683
	868,318	509,815

26. DEFERRED TAX LIABILITY

	Group 2008 £	Group 2007 £
At 1 January	34,588	2,829
Recognised in the income statement	(37,148)	30,444
Foreign exchange difference	2,560	1,315
At 31 December	-	34,588

The components and movements of deferred tax liability during the year prior to offsetting are as follows:

Deferred tax liability of the Group:

	Property, plant and equipment £	Total £
At 1 January 2008	34,588	34,588
Recognised in the income statement	(37,148)	(37,148)
Foreign exchange difference	2,560	2,560
At 31 December 2008	-	-
At 1 January 2007	2,829	2,829
Recognised in the income statement	30,444	30,444
Foreign exchange difference	1,315	1,315
At 31 December 2007	34,588	34,588

As at 31 December 2008, the unrecognised deferred tax assets of the Group are as follows:

	Group 2008 £	Group 2007 £
Unabsorbed tax losses	152	-
Unabsorbed capital allowances	39,011	-
Taxable temporary differences	(604)	-
At 31 December	38,559	-

The potential net deferred tax assets amounting to £38,559 (2007: Nil) has not been recognised in the financial statements because it is not probable that future taxable profit will be available against which the subsidiary company can utilised the benefits.

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiary company is subject to no substantial changes in shareholdings of the subsidiary company under Section 44(5A) and (5B) of Income Tax Act, 1967.

27. CALLED UP SHARE CAPITAL

	Number of ordinary shares		Amount	
	2008	2007	2008	2007
			£	£
Authorised in MobilityOne Limited				
At 1 January 2008 – ordinary shares of £0.025 each / At 22 March 2007 (date of incorporation) – ordinary shares of £0.05 each	400,000,000	200,000,000	10,000,000	10,000,000
At 4 June 2007 Subdivision of shares from £0.05 to £0.025 per share	-	200,000,000	-	-
At 31 December – ordinary shares of £0.025 each	400,000,000	400,000,000	10,000,000	10,000,000
Issued and fully paid in MobilityOne Limited				
At 1 January 2008 – ordinary shares of £0.025 each / At 22 March 2007 (date of incorporation) – ordinary shares of £0.05 each	93,937,204	2	2,348,430	#
At 4 June 2007 Subdivision of shares from £0.05 to £0.025 per share	-	2	-	#
At 4 July 2007 Share swap	-	81,637,200	-	2,040,930
At 5 July 2007 Issuance of shares	-	12,300,000	-	307,500
At 15 January 2008 Share buyback	(14,962,253)	-	(374,056)	-
At 31 December – ordinary shares of £0.025 each	78,974,951	93,937,204	1,974,374	2,348,430

Note: # Denotes amounts are less than £1.00

On 15 January 2008, the Company was purchased a total of 14,962,253 ordinary shares at 9.31 pence per share for cancellation using the authority given by the shareholder of the Company at the extraordinary general meeting held on 17 December 2007. The repurchased ordinary shares were cancelled and removed from trading on AIM. Accordingly, as a result of the above share buyback, the issued share capital of the Company will be 78,974,951 ordinary shares of 2.5 pence each.

28. BUSINESS COMBINATIONS

(a) Acquisition of Subsidiary Companies

(i) On 23 January 2008, MobilityOne Sdn. Bhd. acquired 2 ordinary shares of RM1 each representing 100% equity interest in Pay Station Sdn. Bhd. (formerly known as Versatel Sdn. Bhd.) for a cash consideration of RM2; and

(ii) On 12 March 2008, MobilityOne Sdn. Bhd. acquired 95,000 ordinary shares of USD1 each representing 95% equity interest in PT. MobilityOne Indonesia for a cash consideration of USD100,000, which equivalents to RM318,350.

(b) The acquired subsidiary companies have contributed the following results to the Group:

	2008 **£**
Revenue	12,977
Loss for the year	(47,290)

There is no effect on the Group's revenue and profit or loss had the acquisitions occurred at the beginning of the year as the acquired subsidiary companies are newly incorporated.

(c) The assets arising from the acquisition are as follows:

	Fair value **£**
Net assets acquired	63,684
Less: Minority interest	(3,184)
Group's share of net assets	60,500
Goodwill on acquisition	3,184
Total cost of acquisition	63,684

(d) The cash outflow on acquisition is as follows:

	2008 **£**
Purchase consideration satisfied by cash	63,684
Costs attributable to the acquisition, paid in cash	-
Total cash outflow of the Company	63,684
Cash and cash equivalents of subsidiary companies acquired	(63,684)
Net cash outflow of the Group	-

29. COMPANY EQUITY INSTRUMENT

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2008	2,348,430	782,234	(16,959)	3,113,705
Surplus for the period	-	-	1,509,319	1,509,319
Share buyback	(374,056)	-	(1,018,930)	(1,392,986)
At 31 December 2008	1,974,374	782,234	473,430	3,230,038

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2007	2,017,021	911	-	2,017,932
Capitalised as bonus issue in subsidiary company	438,905	-	-	438,905
Conversion of redeemable preference shares in subsidiary company	293,044	-	-	293,044
Deficit for the period	-	-	(16,959)	(16,959)
Issue of shares	307,500	1,230,000	-	1,537,500
Listing expenses	-	(447,766)	-	(447,766)
Share swap	(708,040)	(911)	-	(708,951)
At 31 December 2007	2,348,430	782,234	(16,959)	3,113,705

30. REVERSE ACQUISITION RESERVE

The acquisition of MobilityOne Sdn. Bhd. by MobilityOne Limited, which was affected through share exchange, was completed on 5 July 2007 and resulted in MobilityOne Sdn. Bhd. becoming a wholly owned subsidiary of MobilityOne Limited. Pursuant to a share swap agreement dated 22 June 2007 the entire issued and paid-up share capital of MobilityOne Sdn. Bhd. was transferred to MobilityOne Limited by its owners. The consideration to the owners was the transfer of 178,800,024 existing ordinary shares and the allotment and issuance by MobilityOne Limited to the owners of 81,637,200 ordinary shares of 2.5p each. The acquisition was completed on 5 July 2007. Total cost of investment by MobilityOne Limited is £2,040,930, the difference between cost of investment and MobilityOne Sdn. Bhd. share capital of £708,951 has been treated as a reverse acquisition reserve.

31. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	2008 £	Restated 2007 £
GROUP		
Cash flow from operating activities		
(Loss)/profit before tax	(916,047)	765,257
Adjustments for:		
Profit on disposal of property, plant and equipment	(223)	-
Depreciation	170,448	84,330
Amortisation on prepaid lease payments	2,920	2,617
Amortisation of intangible assets	61,996	55,558
Amortisation of development costs	55,553	-
Property, plant and equipment written off	94,842	-
Inventories written off	123,519	-
Gain on foreign exchange – unrealised	(5,753)	-
Interest paid	48,347	51,260
Interest received	(14,963)	(625)
Operating profit before working capital changes	(379,361)	958,397
Decrease/(increase) in inventories	184,405	(243,088)
Decrease/(increase) in receivables	1,832,529	(775,450)
Increase/(decrease) in amount due to Directors	106,129	(144,625)
Increase/(decrease) in payables	316,318	(467,485)
Cash generated from/(depleted in) operations	2,060,020	(672,251)

31. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS (Continued)

	1.1.2008 to 31.12.2008 £	22.3.2007 to 31.12.2007 £
COMPANY		
Cash flow from operating activities		
Profit/(loss) before tax	1,509,319	(16,959)
Adjustment for:		
Dividend income	(1,486,023)	-
Gain on foreign exchange – unrealised	(250,828)	(61,811)
Operating loss before working capital changes	(227,532)	(78,770)
Increase in payables	46,775	-
Increase in amount due to Directors	86,125	-
Increase in amount due from subsidiary company	(63,483)	(948,222)
Cash depleted in operations	(158,115)	(1,026,992)

32. FINANCIAL COMMITMENTS

Capital commitment

	Group 2008 £	Group 2007 £
Authorised and contracted for:		
Investment in PT. MobilityOne Indonesia	-	140,543

33. RELATED PARTY TRANSACTIONS

During the year, MobilityOne Sdn. Bhd. was charged by Netoss Sdn. Bhd. Nil (2007: £96,710) for license fees of terminal software, MobilityOne Sdn. Bhd. was received advances £80,018 (2007: Nil) from a company which is related to a Director, Netoss Sdn. Bhd. was disposed its property, plant and equipment to a company which is related to a Director £5,831 (2007: Nil).

At the balance sheet date, the Group owed the Directors £106,129 (2007: Nil), the Company owed the Directors £86,125 (2007: Nil), MobilityOne Sdn. Bhd. owed the Company £1,318,591 (2007: £1,010,033), Netoss Sdn. Bhd. owed MobilityOne Sdn. Bhd. £333,873 (2007: £325,624), Pay Station Sdn .Bhd. owed MobilityOne Sdn. Bhd. £440 (2007: Nil) and PT. MobilityOne Indonesia owed MobilityOne Sdn. Bhd. £7,091 (2007: Nil), MobilityOne Sdn. Bhd. owed a company which is related to a Director £80,018 (2007: Nil). The amount owing to or from the subsidiary companies are repayable on demand and it is interest free.

34. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, there is no ultimate controlling party in the Company for the year ended 31 December 2008.

35. 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	
	2008	**2007**
	£	**£**
Limit of guarantees		
Corporate guarantees given to licensed banks by a subsidiary company for credit facilities granted to a third party	1,050,000	7,555
Amount utilised		
Banker's guarantee in favour of a third party	134,019	-

GHL Systems Berhad (GHL) has issued a claim against MobilityOne Sdn. Bhd. relating to fees for servers, hosting, rental of EDC terminals and other miscellaneous matters. A second claim has also been made by GHL Transact Sdn. Bhd. relating to maintenance and rental of EDC terminals and other miscellaneous matters. The claims total RM966,667.

Both these claims have been strongly refuted by the management of MobilityOne Sdn. Bhd. and a notice of counter claim has been issued by MobilityOne Sdn. Bhd. against GHL in respect of outstanding payment due to the Company for inventories, charges in respect of services not rendered, interest and other miscellaneous matters totalling RM2,964,941.

Representatives of both the Company and GHL have met on several occasions to attempt to negotiate a settlement.

The Directors are of the opinion that the Group is unlikely to have to suffer any economic outflow as a result of the above claims.

36. FOREIGN CURRENCY TRANSLATION RESERVE

The subsidiary companies' assets and liabilities stated in the balance sheet were translated into Sterling Pound (£) using the closing rate as at the balance sheet 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.

	2008 £	2007 £
As at 1 January 2008	71,567	(162,608)
Currency translation differences during the year due from subsidiary companies	977,790	234,175
As at 31 December 2008	1,049,357	71,567

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

37. RETAINED EARNINGS

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

	Group	
	2008 £	2007 £
As at 1 January	1,372,532	1,078,346
(Loss)/profit for the year	(876,818)	733,089
Share buyback	(1,018,930)	-
Capitalised as bonus issue in subsidiary company	-	(438,903)
As at 31 December	(523,216)	1,372,532

38. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in accordance to IFRS 38, Intangible Assets as mentioned in Note 11 and to conform with current year's presentation. The reclassification adjustments are summarised as follows:

(a) Reclassification in accordance to IFRS 38, Intangible Assets

Group	As previously stated 2007 £	Reclassification arising from IFRS 38 2007 £	As restated 2007 £
Balance Sheet:			
Intangible assets	1,303,983	385,028	1,689,011
Property, plant and equipment	1,506,937	(385,028)	1,121,909

There were no effects on the Consolidated Income Statement for the financial year ended 31 December 2007 and the Company financial statements.

(b) Reclassification to conform with current year's presentation

Group	As previously stated 2007 £	As restated 2007 £
Balance Sheet:		
Trade payables	6,280	151,181
Other payables	196,462	51,561
Income Statement:		
Administration expenses	835,968	1,254,473
Distribution expenses	516,020	-
Finance costs	54,418	51,260
Other operating expenses	-	100,673

39. SHARE BASED PAYMENTS

During the year ended 31 December 2007 the Group granted share options of 7,416,558 shares at 12.5p 2,000,000 each to Dato' Hussian @ Rizal bin A. Rahman, Seah Boon Chin and Derrick Chia Kah Wai and 1,416,558 to HB Corporate. No charge has been made for the share based payments as it is not considered to be material.

The details of the share options are as follows:

	Company			
	Number		Exercise price	
	2008	2007	2008	2007
Outstanding at beginning of year	7,416,558	-	12.5p	-
Granted on 5 July 2007	-	7,416,558	-	12.5p
Balance carried forward	7,416,558	7,416,558	12.5p	12.5p

The fair values of the options granted have been calculated using Black-Scholes model assuming the inputs shown below:

Grant date	5 July 2007
Share price at grant date	12.5p
Exercise price	12.5p
Option life in years	5 years
Risk free rate	4.40%
Expected volatility	40%
Expected dividend yield	0%
Fair value of options	2p

No options have been exercised.

40. GOVERNMENT GRANTS

The Group has been awarded a RM1,200,000 grant for a certain approved R&D project from Multimedia Development Corporation Sdn. Bhd. (MDeC) through the MSC Malaysia R&D Grant Scheme (MGS).

During the year £111,416 (2007: £43,632) was recognised in the profit and loss and the Group has now received £155,048 (2007: £43,632) out of the total government grant. In addition, grant income also consists of reimbursement from MDeC on the investment in overseas to promote the Group's products.

The grant is not dependent on fulfilment of contingencies.

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of **MOBILITYONE LIMITED ("Company")** will be held at 9.00 a.m. Malaysia time on 23 July 2009 at Malaysian Petroleum Club, Level 42, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia, and for the purpose of considering and, if thought fit, adopting the following resolutions, at the meeting, or of any adjournment thereof:

ORDINARY RESOLUTIONS

1. **THAT** the Company's accounts and reports of the Directors and Auditors for the year ended 31 December 2008 be adopted.
2. **THAT** Derrick Chia Kah Wai is re-elected as a Director.
3. **THAT** Seah Boon Chin is re-elected as a Director.
4. **THAT** Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be reappointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.
5. **THAT** the Directors be authorised to fix the remuneration of the Auditors.
6. **THAT** pursuant to Articles 2.3 and 2.4(c) of the Company's Articles of Association, the Board of Directors have general authority to issue up to and including 23,692,485 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference to pre-emption rights, for cash by way of general mandate.

BY ORDER OF THE BOARD

Dato' Dr. Wan Azmi bin Ariffin
Chairman
Dated: 30 June 2009

Notes:

1 A member of the Company entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.

2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited with the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordinance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands, or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default, the instrument of proxy shall not be treated as valid.

3 Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.

4 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the Holders stand in the register of members of the Company.

5 As permitted by Regulation 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, only persons entered on the register of members of the Company not later than 48 hours before the time appointed for the meeting are entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

FORM OF PROXY

I/We: (full name) ……………………………………… of (address) ……………………………………………………. being a member of MobilityOne Limited, do hereby appoint: (full name) ……………………………………………………………………………....... or failing him: (full name) ……………………………………………………………………….......... or failing him the Chairman of the Meeting as my / our proxy to attend the Annual General Meeting of MobilityOne Limited to be held at Malaysian Petroleum Club, Level 42, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on 23 July 2009 at 9.00 a.m. Malaysia time or any adjournment thereof.

I/We request such proxy to vote as indicted below:

ORDINARY RESOLUTIONS	FOR	AGAINST	WITHHOLD
1. **THAT** the Company's accounts and reports of the Directors and Auditors for the year ended 31 December 2008 be adopted.			
2. **THAT** Derrick Chia Kah Wai is re-elected as a Director.			
3. **THAT** Seah Boon Chin is re-elected as a Director.			
4. **THAT** Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be reappointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.			
5. **THAT** the Directors be authorised to fix the remuneration of the Auditors.			
6. **THAT** pursuant to Articles 2.3 and 2.4(c) of the Company's Articles of Association, the Board of Directors have general authority to issue up to and including 23,692,485 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference to pre-emption rights, for cash by way of general mandate.			

Please indicate by marking "X" in the respective box. If no indication is given, your proxy will have discretion to vote or to abstain (including on any other matter which may properly come before the meeting as he/she thinks fit).

If by an individual:

Signed: ....

Dated: 2009

If for and on behalf of a corporation:

Signed by: ....

for and on behalf of: ....

Position: ....

Dated: 2009

Notes:

1. A member of the Company entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited with the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordinance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands, or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default, the instrument of proxy shall not be treated as valid.
3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the Holders stand in the register of members of the Company.
5. As permitted by Regulation 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, only persons entered on the register of members of the Company not later than 48 hours before the time appointed for the meeting are entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

COMPANY'S REGISTRARS
MOBILTYONE LIMITED
PO BOX 83, ORDINANCE HOUSE
31 PIER ROAD, ST HELIER
JERSEY JE4 8PW
CHANNEL ISLANDS

FIRST FOLD HERE

REGISTERED OFFICE

Walker House
PO Box 72
28-34 Hill Street
Jersey JE4 8PN
Channel Islands

BUSINESS ADDRESS

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Malaysia
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