MOBILITYONE
TECHNOLOGY INNOVATION IN ONE

Annual Report 2012

MobilityOne Limited
Listed on AIM of the London Stock Exchange

CONTENTS

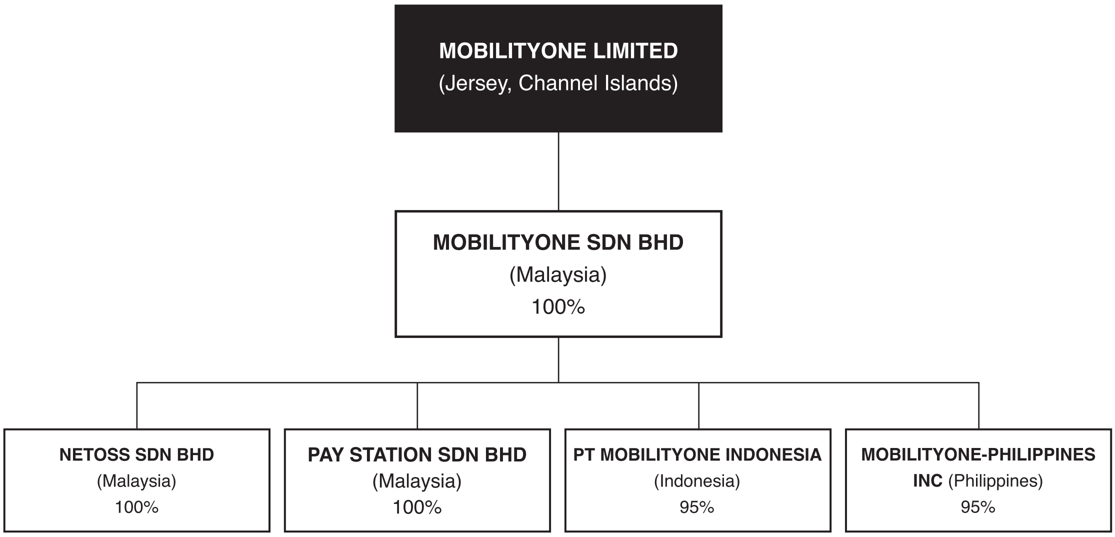
COMPANY INFORMATION

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 (Non-Executive Director) Dato' Shamsir bin Omar (Non-Executive Director; deceased on 7.5.2013)
SECRETARY	TMF Channel Islands Limited 28-30 The Parade St Helier Jersey JE1 1EQ Channel Islands
REGISTERED OFFICE	28-30 The Parade St Helier Jersey JE1 1EQ Channel Islands
BUSINESS ADDRESS	2-3, Incubator 2 Technology Park Malaysia Bukit Jalil, 57000 Kuala Lumpur Malaysia Tel: +603 8996 3600
AUDITORS	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE United Kingdom
NOMINATED ADVISER AND BROKER	Allenby Capital Limited 3 St. Helen's Place London EC3A 6AB United Kingdom

CHAIRMAN'S STATEMENT

INTRODUCTION

MobilityOne Limited's organisation structure is depicted below:



OPERATIONS REVIEW

The Directors are pleased to present the audited consolidated financial statements for MobilityOne Limited for the year ended 31 December 2012.

In 2012, even though the Group reported a 35.8% growth in revenue, it recorded a loss mainly due to higher administration expenses from its existing operations in Malaysia, Indonesia and Cambodia as well as the costs of setting up a new 95%-owned subsidiary in the Philippines, namely MobilityOne Philippines Inc.

Like previous years, most revenue was generated from the Group's existing mobile phone prepaid airtime reload business via its banking channels (such as mobile banking, internet banking and ATMs) and its electronic data capture terminal base throughout Malaysia. The Group's international remittance services in Malaysia did not grow in 2012 at the expected rate and the number of outlets remains at 6.

The businesses in Cambodia and Indonesia did not provide a significant contribution to the Group's overall revenue in 2012. Nevertheless, to continue to expand the Group's overseas operations, the Group has incorporated a new subsidiary in the Philippines. This subsidiary will focus on electronic payment services and it has initiated several tests and pilots with several financial institutions and telecommunications companies in the Philippines.

RESULTS

For the financial year ended 31 December 2012, the revenue of the Group grew by 35.8% (2011 revenue: £31.9 million). This increase was mainly generated by the Group's existing mobile phone prepaid airtime reload business. However, the Group recorded a net loss of £0.27 million (2011 profit after tax: £0.01 million). This loss was due to higher administration expenses from its existing mobile phone prepaid airtime reload business and international remittance business in Malaysia, the expenses incurred in Cambodia and Indonesia, and of the set up costs of a newly incorporated subsidiary in the Philippines which has yet to generate any revenue.

CHAIRMAN'S STATEMENT (CONTINUED)

As at 31 December 2012, the Group had cash and cash equivalents of £1.13 million (31 December 2012: cash and cash equivalents of £1.15 million). As at 31 December 212, the secured loans and borrowings were £2.33 million (31 December 2011: £3.01 million). During the year, the Company raised £105,000 from a subscription from Datuk Yahaya bin Mat Ghani, an existing shareholder, the proceeds of which were used for working capital purposes. In addition, Dato' Hussian A. Rahman (CEO) and LMS, a company in which Dato' Hussian A. Rahman (CEO) is a director and major shareholder, agreed to convert outstanding loans and director fees totalling approximately £340,000 into new equity which has assisted in reducing the Group's borrowings.

CURRENT TRADING AND OUTLOOK

For 2013, the Directors expect the Group to deliver an improved performance from its existing areas of expertise, notably the Directors expect:

(i) the mobile phone prepaid airtime reloads business to continue to grow;

(ii) the international remittance business to contribute a higher revenue through the opening of new outlets, which is subject to the central bank of Malaysia's approval; and

(iii) a maiden contribution from the Philippines market via MobilityOne Philippines Inc.

Notwithstanding that the Group has invested in research and development to develop and grow the existing businesses, the Group has not been able to deliver significant levels of profitability over the last few years. As such, the Group is also currently exploring other business areas to diversify the revenue stream and to reduce the Group's dependency on its existing businesses.

....
Dato' Dr. Wan Azmi bin Ariffin
Chairman

Date: 26 June 2013

REPORT OF THE DIRECTORS

For the year ended 31 December 2012

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2012.

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 31.12.2012 £	Year ended 31.12.2011 £
Revenue	43,261,999	31,860,274
Operating (loss)/profit	(106,312)	179,651
(Loss)/profit before tax	(269,005)	28,802
Net (loss)/profit for the year	(270,789)	1,218

KEYS 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.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2012

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 Chairman's statement.

RESULTS AND DIVIDENDS

The consolidated total comprehensive loss for the year ended 31 December 2012 is £337,898 (2011: loss £77,877) which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2012.

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 (Non-Executive Director)
Dato' Shamsir bin Omar (Non-Executive Director; deceased on 7.5.2013)

Dato' Dr. Wan Azmi bin Ariffin and Dato' Hussian @ Rizal bin A. Rahman 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 2012 in the ordinary shares of the Company, were as follows:

Ordinary 2.5p shares	Interest at 31.12.12	% of issued capital
Dato' Dr. Wan Azmi bin Ariffin	Nil	Nil
Dato' Hussian @ Rizal bin A. Rahman	40,385,724	38.0
Derrick Chia Kah Wai	Nil	Nil
Seah Boon Chin	Nil	Nil
Dato' Shamsir bin Omar	9,131,677	8.6

The Directors held no share options as at 31 December 2012. The options which were previously granted on 5 July 2007 at an exercise price of 12.5p expired on 4 July 2012.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2012

SUBSTANTIAL SHAREHOLDERS

As at 14 June 2013, 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	40,385,724	37.99
Thornbeam Limited	16,048,922	15.10
Datuk Yahaya bin Mat Ghani	13,500,000	12.70
Dato' Shamsir bin Omar	9,131,677	8.59
Perbadanan Nasional Berhad	4,690,000	4.41

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.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2012

GOING CONCERN

These financial statements have been prepared on the assumption that the Group is a going concern. Further information is given in Note 2 of 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 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 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.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2012

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:

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

Date: 26 June 2013

BOARD OF DIRECTORS

Dato' Dr. Wan Azmi bin Ariffin

(Non-Executive Chairman)

Dato' Dr. Wan Azmi bin Ariffin, a Malaysian aged 69, 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 51, 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 is currently a Non-Executive Director of Asia Media Group Berhad and TFP Solutions Berhad which are listed on the Main Market and ACE Market of Bursa Malaysia Securities Berhad (Malaysia Stock Exchange) respectively. 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 42, 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

(Non-Executive Director)

Seah Boon Chin, a Malaysian aged 41, has stepped down as the Corporate Finance Director on 15 November 2012 and remain on the Board as a Non-Executive 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 is currently the Head of Corporate Finance with TA Securities Holdings Berhad in Malaysia and a Non-Executive Director of All Asia Asset Capital Limited, which is listed on AIM of the London Stock Exchange. He obtained his Bachelor Degree in Commerce (Honours) with Distinction from McMaster University, Canada.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED

We have audited the financial statements of MobilityOne Limited for the year ended 31 December 2012 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies (Jersey) Law 1991.

This report is made solely to the Company's members, as a body, in accordance with Article 113A 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Chairman's Statement, Corporate Governance Report and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012 and of the loss of the Group for the year then ended;

- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED (CONTINUED)

- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies (Jersey) Law 1991; and

- the financial statements have been prepared in accordance with the requirement of the Companies (Jersey) Law 1991.

OPINION ON OTHER MATTERS

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sanjay Parmar
Senior Statutory Auditor
For and on behalf of Jeffreys Henry LLP

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date: 26 June 2013

MOBILITYONE
TECHNOLOGY INNOVATION IN ONE

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Note	2012 £	2011 £
CONTINUING OPERATIONS			
Revenue		43,261,999	31,860,274
Cost of sales		(40,499,071)	(29,464,977)
GROSS PROFIT		2,762,928	2,395,297
Other operating income		95,840	142,262
Administration expenses		(2,471,778)	(1,856,629)
Other operating expenses		(493,302)	(501,279)
OPERATING (LOSS)/PROFIT		(106,312)	179,651
Finance costs	6	(162,693)	(150,849)
PROFIT/(LOSS) BEFORE TAX	7	(269,005)	28,802
Tax	8	(1,784)	(27,584)
(LOSS)/PROFIT FOR THE YEAR		(270,789)	1,218
Attributable to:			
Owners of the parent			
Non-controlling interest		(259,650)	(1,341)
		(11,139)	2,559
		(270,789)	1,218
EARNING PER SHARE	10		
Basic earnings per share (pence)		(0.267)	(0.001)
Diluted earnings per share (pence)		(0.267)	(0.001)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012 £	2011 £
(LOSS)/PROFIT FOR THE YEAR	(270,789)	1,218
OTHER COMPREHENSIVE LOSS:		
Foreign currency translation	(78,248)	(76,536)
TOTAL COMPREHENSIVE LOSS	(349,037)	(75,318)
Total comprehensive loss attributable to:		
Owners of the parent	(337,898)	(77,877)
Non-controlling interests	(11,139)	2,559
	(349,037)	(75,318)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Non-Distributable				Distributable			
	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority Interest £	Total £
As at 1 January 2011	2,339,374	782,234	708,951	985,244	(1,655,089)	3,160,714	(469)	3,160,245
Comprehensive (loss)/ income				-	(1,341)	(1,341)	2,559	1,218
(Loss)/profit for the year	-	-	-	(76,536)	-	(76,536)	477	(76,059)
Foreign currency translation	-	-	-					
Total comprehensive (loss)/ income for the year	-	-	-	(76,536)	(1,341)	(77,877)	3,036	(74,841)
As at 31 December 2011	2,339,374	782,234	708,951	908,708	(1,656,430)	3,082,837	2,567	3,085,404

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2012

		Non-Distributable			Distributable			
	Share capital £	Share premium £	Reverse acquisition reserve £	Foreign currency translation reserve £	Retained earnings £	Total £	Minority Interest £	Total £
As at 1 January 2012	2,339,374	782,234	708,951	908,708	(1,656,430)	3,082,837	2,567	3,085,404
Comprehensive loss								
Loss for the year	-	-	-	-	(259,650)	(259,650)	(11,139)	(270,789)
Foreign currency translation	-	-	-	(78,248)	-	(78,248)	(187)	(78,435)
Total comprehensive loss for the year	-	-	-	(78,248)	(259,650)	(337,898)	(11,326)	(349,224)
Transactions with owners								
Issuance of shares	318,096	127,238	-	-	-	445,334	-	445,334
Acquisition of subsidiary company	-	-	-	-	-	-	6,402	6,402
Total transactions with owners for the year	318,096	127,238	-	-	-	445,334	6,402	451,736
At 31 December 2012	2,657,470	909,472	708,951	830,460	(1,916,080)	3,190,273	(2,357)	3,187,916

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

The reverse acquisition reserve relates to the adjustment required by accounting for the reverse acquisition in accordance with IFRS 3.

The Company's assets and liabilities stated in the Statement of Financial Position were translated into Pound Sterling (£) using the closing rate as at the Statement of Financial Position date and the Income Statements were translated into £ using the average rate for that period. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	2012 £	2011 £
ASSETS			
Non-current assets			
Intangible assets	11	2,196,305	2,641,303
Property, plant and equipment	12	682,808	860,429
		2,879,113	3,501,732
Current assets			
Inventories	14	879,280	1,021,579
Trade and other receivables	15	1,267,355	1,641,352
Cash and cash equivalents	16	1,130,315	1,154,665
Tax recoverable		13,401	11,125
		3,290,351	3,828,721
LIABILITIES			
Current liabilities			
Trade and other payables	17	495,265	910,518
Amount due to Directors	18	69,731	217,097
Loans and borrowings – secured	19	2,328,266	3,009,043
Tax payable		23,903	26,517
		2,917,165	4,163,175
NET CURRENT ASSETS/(LIABILITIES)		373,186	(334,454)
Total assets less current liabilities		3,252,299	3,167,278
Non-current liability			
Loans and borrowings – secured	19	64,383	81,874
NET ASSETS		3,187,916	3,085,404

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2012

	Note	2012 £	2011 £
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	21	2,657,470	2,339,374
Share premium	22	909,472	782,234
Reverse acquisition reserve	23	708,951	708,951
Foreign currency translation reserve	28	830,460	908,708
Retained earnings	29	(1,916,080)	(1,656,430)
Shareholders' equity		3,190,273	3,082,837
Non-controlling interests		(2,357)	2,567
TOTAL EQUITY		3,187,916	3,085,404

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	2012 £	2011 £
ASSETS			
Non-current asset			
Investment in subsidiary companies	13	2,040,930	2,040,930
Current assets			
Trade and other receivables	15	1,104,622	985,543
Cash and cash equivalents	16	2,067	2,073
		1,106,689	987,616
Current liabilities			
Trade and other payables	17	38,736	32,852
Amount due to Directors	18	38,254	153,853
		76,990	186,705
NET CURRENT ASSETS		1,029,699	800,911
NET ASSETS		3,070,629	2,841,841
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	21	2,657,470	2,339,374
Share premium	22	909,472	782,234
Retained earnings	22	(496,313)	(279,767)
TOTAL EQUITY		3,070,629	2,841,841

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	Note	2012 £	2011 £
Cash flow from operating activities			
Cash generated from/(depleted in) operations	24	763,963	(28,695)
Interest paid		(162,693)	(150,849)
Interest received		26,574	18,816
Tax paid		(4,276)	(8,947)
Net cash generated from/(used in) operating activities		623,568	(169,675)
Cash flow from investing activities			
Purchase of property, plant and equipment	12	(13,554)	(56,716)
Proceeds from disposal of short term investments		-	1,733
Proceeds from disposal of property, plant and equipment		-	5,382
Additions to development costs	11	-	(351,997)
Net cash used in investing activities		(13,554)	(401,598)
Cash flows from financing activities			
(Repayment)/drawdown of short term borrowings		(292,559)	372,703
Repayment of finance lease payables		(15,821)	(14,948)
Proceeds from issuance of shares		105,000	-
Net cash (used in)/generated from financing activities		(203,380)	357,755
Increase/(decrease) in cash and cash equivalents		406,634	(213,518)
Effect of foreign exchange rate changes		(65,610)	24,373
Cash and cash equivalents at beginning of year		543,291	732,436
Cash and cash equivalents at end of year	16	884,315	543,291

The notes form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	Note	2012 £	2011 £
Cash flow from operating activities			
Cash depleted in operations	24	(105,000)	-
Cash flow from financing activities			
Proceeds from issuance of shares		105,000	-
Decrease in cash and cash equivalents		-	-
Effect of foreign exchange rate changes		(6)	(9)
Cash and cash equivalents at beginning of year		2,073	2,082
Cash and cash equivalents at end of year	16	2,067	2,073

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 13 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 and is listed on AIM. The registered office is located at 28-30 The Parade, St Helier, Jersey JE1 1EQ, Channel Islands. The consolidated financial statements for the year ended 31 December 2012 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 is in the business of providing e-commerce infrastructure payment solutions and platforms through their proprietary technology solutions, which are marketed under the brands MoCS and ABOSSE.

The Group has developed an end-to-end e-commerce solution which connects various service providers across several industries such as banking, telecommunication and transportation through multiple distribution devices such as EDC terminals, short messaging services, Automated Teller 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

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

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

In addition, a shareholder has also undertaken to provide support to enable the group to meet its debts as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Going Concern (continued)

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.

The financial statement does not include any adjustments that would result if the forecast were not achieved and shareholder support was withdrawn.

Estimation uncertainty and critical judgements

The 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 2012 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 3 to 10 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 2012 are disclosed in Note 12 to the financial statements.

(iii) Amortisation of intangible assets

Software is amortised over its estimated useful life. Management estimated the useful life of this asset to be within 10 years. Changes in the expected level of usage and technological development could impact the economic useful life therefore future amortisation could be revised.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units (“CGU”) to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The research and development costs are amortised on a straight-line basis over the life span of the developed assets. Management estimated the useful life of these assets to be within 5 years. Changes in the technological developments could impact the economic useful life and the residual values of these assets, therefore future amortisation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements (continued)

(iii) Amortisation of intangible assets (continued)

The carrying amounts of the Group's intangible assets as at 31 December 2012 are disclosed in Note 11 to the financial statements.

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

(iv) 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.

The carrying amount of the Group's goodwill on consolidation as at 31 December 2012 is disclosed in the Note 11 to the financial statements.

(v) 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.

(vi) 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 no provision is required in respect of the contingent liabilities as disclosed in Note 27 as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2012 ACCOUNTS

Changes in accounting policies and disclosures

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2012:

- IFRS7 (amendment) "Financial Instruments: Disclosures" – additional disclosures re transfers of financial assets, effective for reporting periods beginning after 1 July 2011; and

The impact of adopting the above amendments had no material impact on the financial statements of the Group.

Standards, interpretations and amendments to published standards that are not yet effective

The following standards, amendments and interpretations applicable to the Group are in issue but are not yet effective and have not been early adopted in these financial statements. They may result in consequential changes to the accounting policies and other note disclosures. We do not expect the impact of such changes on the financial statements to be material. These are outlined in the table below:

Reference	Title	Summary	Application date of standard	Application date of Group
Amendments to IAS 34, IAS 32, IAS 16, IAS 1, IFRS 1	Amendments resulting from Annual Improvements 2009-2011 Cycle	Amendments resulting from Annual Improvements 2009-2011 Cycle	Annual periods beginning on or after 1 January 2013	1 January 2013
Amendments to IFRS 7	Amendments related to the offsetting of assets and liabilities	Guidance on offsetting of financial assets and financial liabilities	Annual periods beginning on or after 1 January 2013	1 January 2013
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015	1 January 2015
IFRS 10	Consolidated Financial Statements	Replaces IAS 27 section that addressed accounting for consolidated financial statements. Establishes a single control model applicable to all entities	Periods commencing on or after 1 January 2013	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Reference	Title	Summary	Application date of standard	Application date of Group
IFRS 12	Disclosure of Interests in Other Entities	Increases disclosure requirements in relation to an entity's interests in subsidiaries, joint arrangements, associates and structured entities	Periods commencing on or after 1 January 2013	1 January 2013
IFRS 13	Fair Value Measurement	Guidance on how to measure fair value when fair value is required or permitted	Periods commencing on or after 1 January 2013	1 January 2013
Amendments to IAS 1	Presentation of Financial Statements	Presentation of items within other comprehensive income	Periods commencing on or after 1 July 2012	1 January 2013
Amendments to IAS 19	Employee Benefits	Revised standard for accounting for employee benefits	Periods commencing on or after 1 January 2013	1 January 2013
IAS 27 (revised)	Separate Financial Statements	Revised standard following issuance of IFRS 10 and IFRS 12	Periods commencing on or after 1 January 2013	1 January 2013

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Basis of consolidation (continued)

(ii) Basis of consolidation

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) is the acquiree.

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.

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.

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

As permitted by and in accordance with Article 110 of the Companies (Jersey) Law 1991, a separate income statement 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.

2. ACCOUNTING POLICIES (Continued)

Basis of consolidation (continued)

(i) Revenue from trading activities (continued)

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.

Revenue from remittance comprises transaction service fees charged to customers/senders. Transaction fees are received from senders and are recognised when the services are rendered and transactions are completed.

(ii) Interest income

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

(iii) Rental income

Rental income is recognised on an accrual basis.

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 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 Statement of Financial Position 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

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 Statement of Financial Position date. Results and cash flows are translated into Pound Sterling (£) using average rates of exchange for the period.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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

	Exchange rate (RM: £)	
	At Statement of Financial Position date	**Average for year**
Year ended 31 December 2012	4.94	4.91
Year ended 31 December 2011	4.90	4.91

2. ACCOUNTING POLICIES (Continued)

Taxation

Taxation on the income statement for the financial period comprises current and deferred tax. Current tax is the expected amount of taxes payable in respect of the taxable profit for the financial period and is measured using the tax rates that have been enacted at the Statement of Financial Position date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base at the Statement of Financial Position date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the Statement of Financial Position date. The carrying amount of a deferred tax asset is reviewed at each Statement of Financial Position date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

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.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised through other operating expenses in the income statement using the straight-line basis over the commercial lives of the underlying products not exceeding five years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each Statement of Financial Position date.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Intangible assets (continued)

(ii) Goodwill on consolidation (continued)

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.

(iii) Software

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment. Software which are not an integral part of the related hardware are capitalised as intangible assets.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquired and bring to use the specific software. These costs are amortised over their estimated useful life of 10 years.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Property, plant and equipment (continued)

(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:

Motor vehicles	5 years
Electronic Data Capture equipment	10 years
Computer equipment	3 to 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

Property, plant and equipment (continued)

(iii) Depreciation (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.

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

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 Statement of Cash Flows, cash and cash equivalents are presented net of bank overdrafts.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

2. ACCOUNTING POLICIES (Continued)

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 profit or loss 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.

Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and bank balances, deposits, investments, receivables, payables and borrowings. Financial instruments are recognised in the Statement of Financial Position 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 Statement of Financial Position 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 profit or loss over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

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 effective interest rates as at the Statement of Financial Position date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

At 31 December 2012	Note	Effective Interest Rate %	Within 1 year £	1-2 years £	2-3 years £	3-4 years £	4-5 years £	More than 5 years £	Total £
Fixed rate:									
Fixed deposit	16	2.98	793,358	-	-	-	-	-	793,358
Finance leases	20	3.08	(16,732)	(17,741)	(18,749)	(13,040)	(6,850)	(8,003)	(81,115)
Floating rate:									
Bank overdraft	19	8.60	(246,000)	-	-	-	-	-	(246,000)
Bankers' acceptance	19	7.09	(1,717,929)	-	-	-	-	-	(1,717,929)
Letter of credits	19	1.22	(324,909)	-	-	-	-	-	(324,909)
Trust receipts	19	8.60	(22,696)	-	-	-	-	-	(22,696)
At 31 December 2011									
Fixed rate:									
Fixed deposit	16	2.92	705,208	-	-	-	-	-	705,208
Finance leases	20	3.08	(15,871)	(16,889)	(17,906)	(18,924)	(13,163)	(14,992)	(97,745)
Floating rate:									
Bank Overdraft	19	8.20	(611,374)	-	-	-	-	-	(611,374)
Bankers' acceptance	19	7.58	(1,345,941)	-	-	-	-	-	(1,345,941)
Letter of credits	19	1.57	(595,189)	-	-	-	-	-	(595,189)
Trust receipts	19	6.58	(440,668)	-	-	-	-	-	(440,668)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

3. FINANCIAL INSTRUMENTS (Continued)

(b) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2012	**2011**
	£	**£**
Floating rate instruments		
Financial liabilities (Note 19)	2,311,534	2,993,172

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group Profit or Loss	
	100 bp Increase	**100 bp Decrease**
	£	**£**
2012		
Floating rate instruments	(17,337)	17,337
2011		
Floating rate instruments	(22,449)	22,449

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

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 Statement of Financial Position 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 Statement of Financial Position.

(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 currencies other than the functional currencies of the Group entities primarily Ringgit Malaysia ("RM") and Indonesia Ruppiah ("IDR"). 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 assets and liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies		
	Ringgit Malaysia £	US Dollars £	Total £
Group			
At 31 December 2012			
Trade receivables	-	106,857	106,857
Cash and bank balances	381	29,650	30,031
Other payables	(4,752)	-	(4,752)
	(4,371)	136,507	132,136
At 31 December 2011			
Trade receivables	-	63,636	63,636
Cash and bank balances	387	112,637	113,024
Other payables	(1,228)	-	(1,228)
	(841)	176,273	175,432
Company			
At 31 December 2012			
Cash and bank balances	381	-	381
At 31 December 2011			
Cash and bank balances	387	-	387

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

3. FINANCIAL INSTRUMENTS (Continued)

(d) Foreign currency exchange risk (continued)

Sensitivity analysis for foreign currency risk

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency as at the end of the reporting date, with all other variables held constant:

	2012 Increase/ (Decrease) £	2011 Increase/ (Decrease) £
Group		
Effect on profit after tax:		
United States Dollar		
- Strengthened by 5%	6,825	8,964
- Weakened by 5%	(6,825)	(8,964)
Ringgit Malaysia		
- Strengthened by 5%	(219)	(42)
- Weakened by 5%	219	42
Company		
Effect on profit after tax:		
Ringgit Malaysia		
- Strengthened by 5%	19	19
- Weakened by 5%	(19)	(19)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

3. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2012	On demand or within one year £	On demand one to five year £	On demand over five year £	Total £
Group				
Financial liabilities				
Trade and other payables	495,265	-	-	495,265
Amount due to Directors	69,731	-	-	69,731
Loans and borrowings	2,328,266	56,380	8,003	2,392,649
Total undiscounted financial liabilities	2,893,262	56,380	8,003	2,957,645
2011				
Group				
Financial liabilities				
Trade and other payables	910,518	-	-	910,518
Amount due to Directors	217,097	-	-	217,097
Loans and borrowings	3,009,043	66,882	14,992	3,090,917
Total undiscounted financial liabilities	4,136,658	66,882	14,992	4,218,532
2012				
Company				
Financial liabilities				
Trade and other payables	38,736	-	-	38,736
Amount due to Directors	38,254	-	-	38,254
Total undiscounted financial liabilities	76,990	-	-	76,990
2011				
Company				
Financial liabilities				
Trade and other payables	32,852	-	-	32,852
Amount due to Directors	153,853	-	-	153,853
Total undiscounted financial liabilities	186,705	-	-	186,705

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

3. FINANCIAL INSTRUMENTS (Continued)

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group at the reporting date approximated their fair value except as set out below:

	Group	
	Carrying amount £	Fair value £
Financial lease liabilities (Note 19)	64,383	62,460

The carrying amounts of financial assets and financial liabilities other than the above are reasonable approximation of fair value due to their short term nature.

The carrying amounts of the current portion of borrowing is reasonable approximation of fair value due to the insignificant impact of discounting.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

4. EMPLOYEES AND DIRECTORS

	Group	
	2012	2011
	£	£
EMPLOYEES		
Wages, salaries and bonuses	547,959	514,578
Social security contribution	4,837	5,164
Contribution to defined contribution plan	51,947	49,152
Other staff related expenses	39,088	25,150
	643,831	594,044
Less: Capitalised in development costs (Note 11)	-	(246,005)
	643,831	348,039
DIRECTORS		
Fees	106,068	115,500
Wages, salaries and bonuses	86,513	98,949
Social security contribution	154	253
Contribution to defined contribution plan	8,907	11,247
Total remuneration	201,642	225,949
Less: Capitalised in development costs (Note 11)	-	(59,959)
	201,642	165,990

The number of employees (excluding Directors) of the Group and of the Company at the end of the financial year were 73 (2011: 73) and Nil (2011: Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

4. EMPLOYEES AND DIRECTORS (Continued)

The details of remuneration received and receivables by the Directors of the Group during the financial year are as follows:

Group 2012	Fees £	Salaries £	Bonuses £	Social security contribution £	Defined contribution plan £	Total £
Company's Directors:						
Kjetil Langland Bohn	1,666	-	-	-	-	1,666
Dato' Hussian @ Rizal bin A. Rahman	28,000	36,690	-	-	4,398	69,088
Derrick Chia Kah Wai	27,266	27,681	-	126	3,342	58,415
Seah Boon Chin	27,275	-	-	-	-	27,275
Dato' Dr. Wan Azmi bin Ariffin	7,266	-	-	-	-	7,266
Dato' Shamsir bin Omar	7,266	-	-	-	-	7,266
Subsidiary companies' Directors:						
Tengku Muhaini Binti Sultan Hj. Ahmad Shah	7,329	-	-	-	-	7,329
Mohd Alaidin Bin Zainal Abidin	-	20,400	-	28	1,167	21,595
Pratomo Edhi Tjahjono	-	1,608	134	-	-	1,742
	106,068	86,379	134	154	8,907	201,642

Group 2011	Fees £	Salaries £	Bonuses £	Social security contribution £	Defined contribution plan £	Total £
Company's Directors:						
Kjetil Langland Bohn	10,000	-	-	-	-	10,000
Dato' Hussian @ Rizal bin A. Rahman	28,000	36,695	-	-	4,403	69,098
Derrick Chia Kah Wai	27,338	27,717	-	126	3,347	58,528
Seah Boon Chin	27,535	-	-	-	-	27,535
Dato' Dr. Wan Azmi bin Ariffin	7,338	-	-	-	-	7,338
Dato' Shamsir bin Omar	7,338	-	-	-	-	7,338
Subsidiary companies' Directors:						
Tengku Muhaini Binti Sultan Hj. Ahmad Shah	7,951	-	-	-	-	7,951
Mohd Alaidin Bin Zainal Abidin	-	29,588	-	127	3,497	33,212
Pratomo Edhi Tjahjono	-	2,910	2,039	-	-	4,949
	115,500	96,910	2,039	253	11,247	225,949

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

5. OPERATING SEGMENTS

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three reportable operating segments as follows:-

(a) Telecommnication services and electronic commence solutions
(b) Hardware
(c) Remittance services

Except as above, no other operating segment has been aggregated to form the above reportable operating segments.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

No segment assets and capital expenditure are presented as they are mostly unallocated items which comprise corporate assets and liabilities.

No geographical segment information is presented as the Group mainly trades and provides services in only one region - the Far East.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

5. OPERATING SEGMENTS (Continued)

Group 2012	Telecommunication services and electronic commence solutions £	Hardware £	Remittance Services £	Elimination £	Total £
Segment revenue:					
Sales to external customers	41,233,876	1,947,148	80,975	-	43,261,999
Inter-segment sales	69,438	-	-	(69,438)	-
	41,303,314	1,947,148	80,975	(69,438)	43,261,999
Loss before tax					(269,005)
Tax					(1,784)
Loss for the year					(270,789)
Group					
2011					
Segment revenue:					
Sales to external customers	29,264,149	2,493,030	103,095	-	31,860,274
Inter-segment sales	87,151	-	-	(87,151)	-
	29,351,300	2,493,030	103,095	(87,151)	31,860,274
Profit before tax					28,802
Tax					(27,584)
Profit for the year					1,218

6. FINANCE COSTS

	Group 2012 £	Group 2011 £
Bankers' acceptance interest	108,880	91,615
Term loans interest	-	1,377
Finance lease interest	5,036	6,148
Bank guarantee interest	2,205	4,833
Bank overdraft	16,368	6,403
Letter of credit interest	5,621	7,537
Trust receipt interest	24,583	32,936
	162,693	150,849

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

7. (LOSS)/PROFIT BEFORE TAX

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

		Group	
		2012	2011
	Note	£	£
Auditors' remuneration		21,308	19,547
Auditors' remuneration under/(over)provided		648	(1,585)
Employee benefits expense (excluding Directors' remuneration)	4	643,831	348,039
Directors' remuneration	4	201,642	165,990
Depreciation	12	174,462	182,778
Rental of premises and equipment		92,169	80,486
Rental of motor vehicles		1,642	2,982
Amortisation of intangible assets	11	170,655	176,302
Amortisation of development costs	11	162,687	143,252
Property, plant and equipment written off	12	9,690	-
Impairment loss on development costs	11	64,382	63,695
Bad debts written off		-	31,096
Interest income		(26,574)	(18,816)
Rental income		(3,122)	(3,229)
Profit on disposal of property, plant and equipment		-	(3,146)
Gain on foreign exchange			
- realised		(56,264)	(80,730)
- unrealized		(8,230)	-

Included in the auditors' remuneration for the Group is an amount of £11,000 (2011: £10,000) in respect of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8. TAX

	Group 2012 £	Group 2011 £
Current tax expense:		
Jersey corporation tax for the year	-	-
Foreign tax	7,515	27,497
(Over)/underprovision in prior year:		
Foreign tax	(5,731)	87
	1,784	27,584

A reconciliation of income tax expense applicable to loss 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 2012 £	Group 2011 £
(Loss)/profit before tax	(269,005)	28,802
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	(67,252)	7,201
Effect of different tax rates in other countries	(10,933)	3,656
Effect of expenses not deductible for tax	29,260	88,179
Effect of utilisation of previous unrecognised unabsorbed capital allowance	(68,901)	(162,968)
Deferred tax not recognised in respect of current year's tax losses and unabsorded capital allowances	74,279	62,782
Temporary differences in respect of property, plant and equipment not recognised	51,062	28,647
(Over)/underprovision of tax expense in prior year	(5,731)	87
Tax expense for the year	1,784	27,584

The direct subsidiary company, MobilityOne Sdn. Bhd., was granted Pioneer Status by the relevant authorities for an additional period of five years effective from 26 April 2010 to 25 April 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8. TAX (Continued)

As at 31 December 2012, the unrecognised deferred tax assets of the Group are as follows:

	Group	
	2012	**2011**
	£	**£**
Unabsorbed tax losses	46,946	38,766
Unabsorbed capital allowances	34,696	34,701
Taxable temporary differences	(204)	(156)
	81,438	73,311

The potential net deferred tax assets amounting to £81,438 (2011: £73,311) 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 utilise 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.

9. LOSS OF COMPANY

The profit or loss of the Company is not presented as part of these financial statements. The Company's loss for the financial year was £216,546 (2011: £269,622).

10. EARNINGS PER SHARE

	Group	
	2012	**2011**
	£	**£**
Consolidated loss for the year attributable to owners (£)	(259,650)	(1,341)
Issued ordinary shares at 1 January	93,574,951	93,574,951
Effect of ordinary shares issued during the period	3,555,700	-
Weighted average number of shares at 31 December	97,130,651	93,574,951
Fully diluted weighted average number of shares at 31 December	97,130,651	93,574,951
Basic earnings per share (pence)	(0.267)	(0.001)
Diluted earnings per share (pence)	(0.267)	(0.001)

The basic earnings per share is calculated by dividing the loss of £259,650 (2011: loss of £1,341) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 97,130,651 (2011: 93,574,951).

The diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. For the year ended 31 December 2012, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

11. INTANGIBLE ASSETS

GROUP 31 December 2012	Software £	Goodwill on consolidation £	Development Costs £	Total £
COST				
At 1 January 2012	1,272,331	1,395,866	1,070,239	3,738,436
Additions	-	-	-	-
Acquired of subsidiary company	-	6,342	-	6,342
Foreign exchange differences	(55,750)	(12,935)	(9,917)	(78,602)
At 31 December 2012	1,216,581	1,389,273	1,060,322	3,666,176
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS				
At 1 January 2012	670,299	-	426,834	1,097,133
Amortisation charge for the period	170,655	-	162,687	333,342
Impairment loss for the period	-	-	64,382	64,382
Foreign exchange differences	(19,639)	-	(5,347)	(24,986)
At 31 December 2012	821,315	-	648,556	1,469,871
NET CARRYING AMOUNT				
At 31 December 2012	395,266	1,389,273	411,766	2,196,305

GROUP 31 December 2011	Software £	Goodwill on consolidation £	Development Costs £	Total £
COST				
At 1 January 2011	798,879	1,429,292	734,772	2,962,943
Reclassification from inventories	499,065	-	-	499,065
Additions	-	-	351,997	351,997
Foreign exchange differences	(25,613)	(33,426)	(16,530)	(75,569)
At 31 December 2011	1,272,331	1,395,866	1,070,239	3,738,436
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS				
At 1 January 2011	505,678	-	224,759	730,437
Amortisation charge for the period	176,302	-	143,252	319,554
Impairment loss for the period	-	-	63,695	63,695
Foreign exchange differences	(11,681)	-	(4,872)	(16,553)
At 31 December 2011	670,299	-	426,834	1,097,133
NET CARRYING AMOUNT				
At 31 December 2011	602,032	1,395,866	643,405	2,641,303

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

11. INTANGIBLE ASSETS (Continued)

Included in development costs incurred during the financial year are:-

	Group	
	2012	2011
	£	£
Employee benefits expenses (Note 4)	-	246,005
Directors' remuneration (Note 4)	-	59,959
Rental of premises	-	25,687

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.

(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 a 5 years 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 £1,379,710 (2011: £1,395,866). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2012	Motor Vehicles £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
Cost								
At 1 January 2012	149,588	417,360	196,637	742,548	77,446	331,336	49,817	1,664,732
Additions	-	1,447	8,167	1,323	987	1,630	-	13,554
Reclassification	-	-	523	(523)	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Written off	(19,380)	-	-	-	-	-	-	(19,380)
Foreign exchange differences	(1,267)	(3,878)	(1,887)	(6,960)	(724)	(318)	(462)	(15,496)
At 31 December 2012	128,941	414,929	203,440	736,388	77,709	32,648	49,355	1,643,410
DEPRECIATION								
At 1 January 2012	70,667	188,257	167,147	300,578	36,780	16,811	24,063	804,303
Depreciation charge for the period	28,127	41,921	14,499	73,975	7,791	3,183	4,966	174,462
Reclassification	-	-	172	(172)	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Written off	(9,690)	-	-	-	-	-	-	(9,690)
Foreign exchange differences	(768)	(2,003)	(1,642)	(3,243)	(390)	(176)	(251)	(8,473)
At 31 December 2012	88,336	228,175	180,176	371,138	44,181	19,818	28,778	960,602
NET CARRYING AMOUNT								
At 31 December 2012	40,605	186,754	23,264	365,250	33,528	12,830	20,577	682,808

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 31 December 2011	Motor Vehicles £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
Cost								
At 1 January 2011	153,170	386,876	189,574	759,475	77,519	32,047	50,090	1,648,751
Additions	-	41,741	11,474	829	1,737	38	897	56,716
Disposals	-	(2,283)	-	-	-	-	-	(2,283)
Foreign exchange differences	(3,582)	(8,974)	(4,411)	(17,756)	(1,810)	(749)	(1,170)	(38,452)
At 31 December 2011	149,588	417,360	196,637	742,548	77,446	31,336	49,817	1,664,732
DEPRECIATION								
At 1 January 2011	41,808	151,939	147,219	231,774	29,792	14,006	19,569	636,107
Depreciation charge for the period	29,781	39,845	23,328	74,087	7,671	3,126	4,940	182,778
Disposals	-	(47)	-	-	-	-	-	(47)
Foreign exchange differences	(922)	(3,480)	(3,400)	(5,283)	(683)	(321)	(446)	(14,535)
At 31 December 2011	70,667	188,257	167,147	300,578	36,780	16,811	24,063	804,303
NET CARRYING AMOUNT								
At 31 December 2011	78,921	229,103	29,490	441,970	40,666	14,525	25,754	860,429

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Cash payments of £13,554 (2011: £56,716) were made by the Group to purchase property, plant and equipment.

(b) Included in property, plant and equipment of the Group are motor vehicles with net carrying amounts of £40,605 (2011: £78,921) held under finance leases arrangements.

13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2012	**2011**
	£	**£**
COST		
At 1 January/31 December	2,040,930	2,040,930

Name of Subsidiary Company	Country of incorporation	Effective Ownership Interest 2012 (%)	2011 (%)	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 companies of MobilityOne Sdn. Bhd.				
Netoss Sdn. Bhd.*	Malaysia	100	100	Provision of solution sales and services
Pay Station Sdn. Bhd.*	Malaysia	100	100	Dormant
PT. MobilityOne Indonesia*	Indonesia	95	95	Provision of e-Channel products and services, technology managed services and solution sales and consultancy
MobilityOne Philippines, Inc**	Philippines	95	-	Provision of IT systems and solutions and to establish a multi-channel electronic service bureau

* Audited by Roger Yue, Tan & Associates

** Audited by firm of auditors other than Roger Yue, Tan & Associates

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(a) Acquisition of subsidiary company

During the financial year, the subsidiary company, MobilityOne Sdn. Bhd. acquired 95% equity interest in MobilityOne Philippines, Inc, a company incorporated in Philippines for a total consideration of £126,832 (equivalent to RM626,802).

(b) The acquisition had the following effect on the Group's financial results for the financial year:

	2012 £
Revenue	-
Operating loss	(4,106)
Loss for the year	(4,106)

(c) The acquisition had the following effect on the financial position of the Group as at the end of the year:

	2012 £
Property, plant and equipment	650
Trade and other receivables	315
Cash and bank balances	128,044
Tax recoverable	61
Trade and other payables	(5,177)
Group's share of net assets	123,893

(d) The fair value of assets acquired and liabilities assumed from the acquisition of the subsidiary company is as follows:

	2012 £
Cash and bank balances	126,832
Group's share of net assets	126,832
Less: Non-controlling interests	(6,342)
Goodwill arising on consolidation	6,342
Cost of acquisition satisfied by cash paid	126,832
Cash and cash equivalents of subsidiary company acquired	(126,832)
Net cash outflow to the Group	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

14. INVENTORIES

	Group	
	2012	2011
	£	£
At Cost:		
Air time	690,688	751,383
Hardware	188,592	270,196
	879,280	1,021,579

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade receivables				
- Third parties	683,276	1,049,948	-	-
Other receivables				
- Deposits	207,870	288,224	-	-
- Prepayments	10,467	9,131	-	-
- Sundry receivables	365,742	294,049	-	-
- Amount due from subsidiary company	-	-	1,104,622	985,543
	584,079	591,404	1,104,622	985,543
Total trade and other receivables	1,267,355	1,641,352	1,104,622	985,543

(a) The Group's and the Company's normal trade credit terms range from 30 to 60 days (2011: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis.

Ageing analysis

An ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	Group	
	2012	2011
	£	£
Neither past due nor impaired	485,889	928,712
1-2 months past due	130,192	42,511
3-12 months past due	67,195	78,725
	197,387	121,236
	683,276	1,049,948

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

15. TRADE AND OTHER RECEIVABLES (Continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(b) Related party balances

The amount due from subsidiary companies is unsecured, non-interest bearing and is repayable on demand.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Cash in hand and at banks	336,957	449,457	2,067	2,073
Fixed deposits with licensed bank	793,358	705,208	-	-
Cash and bank balances	1,130,315	1,154,665	2,067	2,073
Less : Bank overdraft (Note 19)	(246,000)	(611,374)	-	-
Cash and cash equivalents	884,315	543,291	2,067	2,073

(a) The above fixed deposits have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 19 to the financial statements.

(b) The Group's effective interest rates and maturities of deposits are 2.98% (2011: 2.92%) and 1 month to 12 months (2011: 1 month to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade payables				
- Third parties	311,860	455,953	-	-
Other payables				
- Deposits	46,313	48,633	-	-
- Accruals	35,730	38,301	14,101	14,901
- Sundry payables	101,362	367,631	24,635	17,951
	183,405	454,565	38,736	32,852
Total trade and other payables	495,265	910,518	38,736	32,852
Add: Amount due to Directors (Note 18)	69,731	217,097	38,254	153,853
Add : Loans and borrowings (Note 19)	2,392,649	3,090,917	-	-
Total financial liabilities carried at amortised cost	2,957,645	4,218,532	76,990	186,705

(a) The Group's normal trade credit terms range from 30 to 90 days (2011: 30 to 90 days).

(b) Other payables are non-interest bearing. Other payables are normally settled on an average terms of 60 days (2011: 60 days).

18. AMOUNT DUE TO DIRECTORS

These are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

19. FINANCIAL LIABILITIES – LOANS AND BORROWINGS

	Group	
	2012	**2011**
	£	**£**
Non-Current		
Secured:		
Finance lease payables (Note 20)	64,383	81,874
Current		
Secured:		
Bankers' acceptance	1,717,929	1,345,941
Bank overdraft (Note 16)	246,000	611,374
Finance lease payables (Note 20)	16,732	15,871
Letter of credits	324,909	595,189
Trust receipts	22,696	440,668
	2,328,266	3,009,043
Total Borrowings		
Secured:		
Bankers' acceptance	1,717,929	1,345,941
Bank overdraft (Note 16)	246,000	611,374
Finance lease payables (Note 20)	81,115	97,745
Letter of credits	324,909	595,189
Trust receipts	22,696	440,668
	2,392,649	3,090,917

The bankers' acceptance, bank overdraft, letter of credits and trust receipts are secured by the following:

(a) pledged of fixed deposits of a subsidiary company (Note 16);
(b) personal guarantee by a Director; and
(c) corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

19. FINANCIAL LIABILITIES – LOANS AND BORROWINGS (Continued)

The effective interest rates of the Group for the above facilities other than finance leases are as follows:

	Group	
	2012	2011
	%	%
Bankers' acceptance	7.09	7.58
Bank overdraft	8.60	8.20
Letter of credits	1.22	1.57
Trust receipts	8.60	6.58

The maturity of borrowings (excluding finance leases) is as follows:

	Group	
	2012	2011
	£	£
Within one year	2,311,534	2,993,172

Other information on financial risks of borrowings are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

20. FINANCE LEASE PAYABLES

	Group 2012 £	Group 2011 £
Minimum lease payments:		
Not later than 1 year	20,729	20,923
Later than 1 year but not later than 2 years	20,729	20,923
Later than 2 years but not later than 5 years	42,247	56,058
Later than 5 years	8,239	15,823
	91,944	113,727
Less: Future finance charges	(10,829)	(15,982)
Present value of finance lease liabilities	81,115	97,745
Present value of finance lease payments:		
Not later than 1 year	16,732	15,871
Later than 1 year but not later than 2 years	17,741	16,889
Later than 2 years but not later than 5 years	38,639	49,993
Later than 5 years	8,003	14,992
	81,115	97,745
Analysed as:		
Due within 12 months (Note 19)	16,732	15,871
Due after 12 months (Note 19)	64,383	81,874
	81,115	97,745

The Group has finance lease contracts for certain motor vehicles as disclosed on Note 12(b).

Other information on financial risks of finance lease payables are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

21. CALLED UP SHARE CAPITAL

	Number of ordinary shares of £0.025 each		Amount	
	2012	2011	2012 £	2011 £
Authorised in MobilityOne Limited				
At 1January/31 December	400,000,000	400,000,000	10,000,000	10,000,000
Issued and fully paid in MobilityOne Limited				
At 1 January	93,574,951	93,574,951	2,339,374	2,339,374
Issuance of shares	12,723,829	-	318,096	-
At 31 December	106,298,780	93,574,951	2,657,470	2,339,374

On 21 September 2012, the Company issued a total of 12,723,829 ordinary shares of 2.5 pence per share at an issue price of 3.5 pence per share. Accordingly, as a result of the above issuance of shares, the issued share capital of the Company increased to 106,298,780 ordinary shares of 2.5 pence each. The ordinary shares issued during the financial year is by way of:

(i) 3,000,000 ordinary shares of 2.5 pence per share at an issue price of 3.5 pence per share issued to a third party individual for general working capital purposes;

(ii) 2,200,000 ordinary shares of 2.5 pence per share at a conversion price 3.5 pence per share issued to a Director to convert the outstanding Director's fee into new shares; and

(iii) 7,523,829 ordinary shares of 2.5 pence per share at a conversion price 3.5 pence per share to a related party to convert a loan given to the Group by the related party into new shares. These shares were subsequently transferred to a Director during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

22. COMPANY EQUITY INSTRUMENT

	Share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 January 2012	2,339,374	782,234	(279,767)	2,841,841
Issuance of shares	318,096	127,238	-	445,334
Loss for the year	-	-	(216,546)	(216,546)
At 31 December 2012	2,657,470	909,472	(496,313)	3,070,629
At 1 January 2011	2,339,374	782,234	(10,145)	3,111,463
Loss for the year	-	-	(269,622)	(269,622)
At 31 December 2011	2,339,374	782,234	(279,767)	2,841,841

23. REVERSE ACQUISITION RESERVE

The acquisition of MobilityOne Sdn. Bhd. by MobilityOne Limited, which was affected through a 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

24. RECONCILIATION OF LOSS BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	2012 £	2011 £
GROUP		
Cash flow from operating activities		
(Loss)/profit before tax	(269,005)	28,802
Adjustments for:		
Profit on disposal of property, plant and equipment	-	(3,146)
Gain on foreign exchange – unrealized	(8,230)	-
Depreciation	174,462	182,778
Amortisation of intangible assets	170,655	176,302
Amortisation of development costs	162,687	143,252
Property, plant and equipment written off	9,690	-
Impairment loss on development costs	64,382	63,695
Bad debts written off	-	31,096
Interest expenses	162,693	150,849
Interest income	(26,574)	(18,816)
Operating profit before working capital changes	440,760	754,812
Decrease/(increase) in inventories	133,651	(198,040)
Decrease/(increase) in receivables	362,990	(441,704)
Decrease in amount due to Directors	(70,132)	(21,447)
Decrease in payables	(103,306)	(122,316)
Cash generated from/(depleted in) operations	763,963	(28,695)
COMPANY		
Cash flow from operating activities		
Loss before tax	(216,546)	(269,622)
Adjustments for:		
Loss on foreign exchange - unrealised	6,406	36,869
Operating loss before working capital changes	(210,140)	(232,753)
Increase in payables	5,884	4,586
(Decrease)/increase in amount due to Directors	(38,599)	59,750
Decrease in amount due from subsidiary company	137,855	168,417
Cash depleted in operations	(105,000)	-

25. RELATED PARTY TRANSACTIONS

During the year, MobilityOne Sdn. Bhd. received advances Nil (2011: £167,657) from LMS Technology Distribution Sdn. Bhd., a company which is related to a Director.

At the Statement of Financial Position date, the Group owed the Directors £69,731 (2011: £217,097), the Company owed the Directors £38,254 (2011: £153,853), MobilityOne Sdn. Bhd. owed the Company £1,104,622 (2011: £985,543), Netoss Sdn. Bhd. owed MobilityOne Sdn. Bhd. £360,540 (2011: £317,052), Pay Station Sdn .Bhd. owed MobilityOne Sdn. Bhd. £3,820 (2011: £3,366) and PT. MobilityOne Indonesia owed MobilityOne Sdn. Bhd. £609,976 (2011: £614,261), MobilityOne Sdn. Bhd. owed LMS Technology Distribution Sdn. Bhd. Nil (2011: £299,961), One Tranzact Sdn. Bhd., a company with common Directors, owed MobilityOne Sdn. Bhd. £4,138 (2011: £3,155), LMS Technology Distribution Sdn. Bhd. owed P.T. MobilityOne Indonesia £106,680 (2011: £111,418) and Netoss Sdn. Bhd. owed LMS Digital Sdn. Bhd., a company related to a Director, £21,955 (2011: £13,582) and LMS Technology Distribution Sdn. Bhd. £4,372 (2011: £2,179). The amounts owing to or from the subsidiary companies and related parties are repayable on demand and are interest free.

During the financial year, MobilityOne Sdn. Bhd. settled the liabilities on behalf of LMS Technology Distribution Sdn. Bhd. and One Tranzact Sdn. Bhd. £299,015 (2011: Nil) and £1,018 (2011: £2,742) respectively. Netoss Sdn. Bhd. paid LMS Digital Sdn. Bhd. and LMS Technology Distribution Sdn. Bhd. £8,551 (2011: £8,562) and £2,227 (2011: £734) respectively on expenses incurred. PT. MobilityOne Indonesia paid LMS Technology Distribution Sdn. Bhd. £61,104 (2011: Nil) for purchases during the financial year. Services rendered by Netoss Sdn. Bhd. to MobilityOne Sdn. Bhd. during the financial year is amounting to £69,438 (2011: £87,155).

26. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, there is no ultimate controlling party in the Company for the year ended 31 December 2012.

27. 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	
	2012	**2011**
	£	**£**
Limit of guarantees		
Corporate guarantee given to a licensed bank by the Company for credit facilities granted to a subsidiary company	4,148,118	4,186,920
Amount utilised		
Banker's guarantee in favour of third parties	373,482	356,552

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

28. FOREIGN CURRENCY TRANSLATION RESERVE

The subsidiary companies' assets and liabilities stated in the Statement of Financial Position were translated into Sterling Pound (£) using the closing rate as at the Statement of Financial Position date and the Income Statements were translated into £ using the average rate for that period. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

	2012 £	2011 £
As at 1 January	908,708	985,244
Currency translation differences during the year	(78,248)	(76,536)
As at 31 December	830,460	908,708

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.

29. RETAINED EARNINGS

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

	Group	
	2012 £	2011 £
As at 1 January	(1,656,430)	(1,655,089)
Loss for the year	(259,650)	(1,341)
As at 31 December	(1,916,080)	(1,656,430)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

30. 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	
	2012	**2011**	**2012**	**2011**
Outstanding at beginning of year	7,416,558	7,416,558	12.5p	12.5p
Expired	(7,416,558)	-	-	-
Balance carried forward	-	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 during the period and the options expired on 4 July 2012.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of **MOBILITYONE LIMITED (“Company”)** will be held at 9.00 a.m. Malaysia time on 26 July 2013 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 2011 be adopted.
2. **THAT** Dato' Dr. Wan Azmi bin Ariffin is re-elected as a Director.
3. **THAT** Dato' Hussian @ Rizal bin A. Rahman 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 31,889,634 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference tp pre-emption rights, for cash by way of general mandate.

BY ORDER OF THE BOARD

Dato’ Dr. Wan Azmi bin Ariffin
Chairman

Dated: 28 June 2013

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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 (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, 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 26 July 2013 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 2011 be adopted.			
2. THAT Dato' Dr. Wan Azmi bin Ariffin is re-elected as a Director.			
3. THAT Dato' Hussian @ Rizal bin A. Rahman 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 31,889,634 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference tp 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: 2013

If for and on behalf of a corporation:

Signed by: ....

for and on behalf of: ....

Position: ....

Dated: 2013

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 (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, 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
QUEENSWAY HOUSE
HILGROVE STREET, ST. HELIER
JERSEY JE1 1ES
CHANNEL ISLANDS

FIRST FOLD HERE

REGISTERED OFFICE

MobilityOne Limited
28-30 The Parade
St Helier
Jersey JE1 1EQ
Channel Islands

BUSINESS ADDRESS

MobilityOne Sdn Bhd
2-3, Incubator 2
Technology Park Malaysia, Bukit Jalil
57000 Kuala Lumpur
Malaysia

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