MOBILITYONE

ANNUAL REPORT 2017

MOBILITYONE LIMITED

Incorporated in Jersey, registered number 96293

Listed on AIM of the London Stock Exchange

CONTENTS

COMPANY INFORMATION
For the year ended 31 December 2017

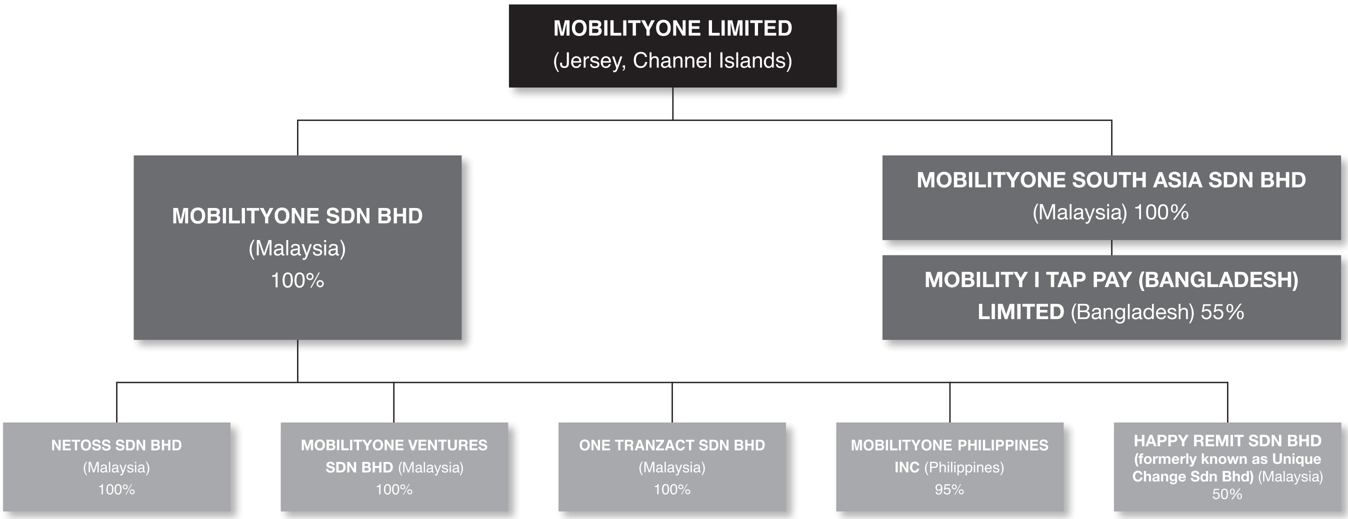
DIRECTORS	Abu Bakar bin Mohd Taib (*Non-Executive Chairman)* Dato' Hussian @ Rizal bin A. Rahman *(Chief Executive Officer)* Derrick Chia Kah Wai *(Chief Operating Officer)* Seah Boon Chin *(Non-Executive Director)*
SECRETARY	Computershare Company Secretarial Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES Channel Islands
REGISTERED OFFICE	Queensway House Hilgrove Street St Helier Jersey JE1 1ES 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 5 St. Helen's Place London EC3A 6AB United Kingdom

CHAIRMAN'S STATEMENT

For the year ended 31 December 2017

INTRODUCTION

MobilityOne Limited's organisation structure is depicted below:



The Directors are pleased to present the audited consolidated financial statements for MobilityOne Limited for the year ended 31 December 2017.

The revenue of the Group increased by 37.9% to £85.14 million (2016 revenue: £61.73 million), which was mainly contributed by the growth of the Group's e-payment business in mobile phone prepaid airtime reload and bill payments via the Group's banking channels (such as mobile banking, internet banking and ATMs), with 10 banks and approximately 2,000 payment terminal bases in Malaysia. However, the Group reported a net loss after tax of £0.73 million in 2017 (2016 profit after tax: £0.31 million), mainly due to a one-off impairment loss on goodwill of £0.64 million in relation to the Group's acquisition of a 55% equity interest in Mobility I Tap Pay (Bangladesh) Limited ("MiTP") in November 2017 for BDT550,000 (c. £5,000). MiTP had net liabilities of BDT126.4 million (c. £1.16 million) as at 6 November 2017. In addition, the Group has shared the post-acquisition loss of BDT23.16 million (c. £0.12 million) in MiTP.

MobilityOne Sdn Bhd ("MobilityOne Malaysia"), the Group's wholly-owned subsidiary in Malaysia, is supporting MiTP to provide a mobile financial services platform in Bangladesh, which includes a mobile banking app, for Meghna Bank Ltd ("Meghna"). Meghna is a commercial bank which currently has 47 branches in Bangladesh. The mobile financial services platform, named "Tap 'n Pay", has been launched by Meghna. MiTP anticipates that these services will play an important role in Bangladesh where the majority of the population remains unbanked but now, utilising "Tap 'n Pay", they are able to get access to basic banking services such as fund transfers from banking agents at convenience stores. "Tap 'n Pay" uses a Near Field Communication (NFC) enabled card as a payment instrument and an android based point of sales as the payment device. An extensive network of partner distributors provides the necessary coverage to support the transactions conducted by the banking agents for bank account opening, digital payment, domestic fund transfer, mobile prepaid reload, bill payment and the purchase of bus and movie e-tickets. The mobile banking app is in addition to the more than 7,000 point of sales devices deployed in Bangladesh by MiTP for Meghna's mobile financial services. MiTP has been investing to expand the point of sales and user base and has generated revenue since early 2018.

CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 31 December 2017

The contribution from the Group's operations in the Philippines remained insignificant with a small revenue contribution through the provision of an e-payment solution.The Group's international remittance services in Malaysia via its 50%-owned associate company, Happy Remit Sdn Bhd (formerly known as Unique Change Sdn Bhd) ("Happy Remit"), holds a remittance business license issued by the Central Bank of Malaysia and has six outlets in Malaysia. However, it has not made a significant contribution to the Group in 2017.

As at 31 December 2017, the Group had cash and cash equivalents of £3.43 million (31 December 2016: cash and cash equivalents of £2.11 million) and the secured loans and borrowings from financial institutions totaled £3.95 million (31 December 2016: £2.80 million).

CURRENT TRADING AND OUTLOOK

MobilityOne Malaysia has obtained interests from numerous entities, such as schools, local councils and cooperatives for collaboration to use the Group's e-money system. In addition, the mobile remittance services by Happy Remit to conduct money transfer services using a mobile application, will provide convenience to the foreign workers where previously their only option to conduct remittances was limited to approaching money transfer outlets during office hours. This is expected to open up the Group's money transfer services to untapped markets which the Board believes will bring growth to this segment of the Group's business.

The Directors expect that the financial performance of the Group in Malaysia will be positive as the e-payment business, particularly prepaid airtime reload and bill payment business, in Malaysia is expected to continue its growth. However, the business in Bangladesh via MiTP is expected to incur more costs in the short term to grow the business. Nevertheless, the long-term prospects in Bangladesh with new services to be introduced soon, such as inward money transfer services and local municipal bill payment services, is expected to grow MiTP's business in Bangladesh. As such, the Directors continue to view the future prospects of the Group with cautious optimism.

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Abu Bakar bin Mohd Taib

Chairman

Date: 29 June 2018

REPORT OF THE DIRECTORS

For the year ended 31 December 2017

The Directors are pleased to submit their report together with the financial statements of the Company and the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

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

KEY PERFORMANCE INDICATORS

	Year ended 31.12.2017 £	Year ended 31.12.2016 £
Revenue	85,140,366	61,734,675
Operating (loss)/profit	(384,366)	557,444
(Loss)/profit before tax	(613,238)	381,165
Net (loss)/profit for the year	(734,668)	314,977

KEYS RISKS AND UNCERTAINTIES

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. In particular, this includes 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 Distributorship Agreements

The Group relies on various telecommunication companies to provide the telecommunication products. As a result, 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

If the Group is unable to keep pace with rapid technological development in the e-commerce industry it may adversely 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 2017

KEYS RISKS AND UNCERTAINTIES (Continued)

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.

Financial risks

Please refer to Note 3.

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 2017 was £647,342 (2016: profit of £419,903) which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The Directors during the year under review were:

Abu Bakar bin Mohd Taib *(Non-Executive Chairman)*
Dato' Hussian @ Rizal bin A. Rahman *(Chief Executive Officer)*
Derrick Chia Kah Wai *(Chief Operating Officer)*
Seah Boon Chin *(Non-Executive Director)*

The beneficial interests of the Directors holding office at 31 December 2017 in the ordinary shares of the Company, were as follows:

Ordinary 2.5p shares	Interest at 31.12.17	% of issued capital
Abu Bakar bin Mohd Taib	Nil	Nil
Dato' Hussian @ Rizal bin A. Rahman	53,465,724	50.3
Derrick Chia Kah Wai	Nil	Nil
Seah Boon Chin	Nil	Nil

The wife of Derrick Chia Kah Wai holds 1,943,000 ordinary shares in the Company, which is equivalent to 1.83% of the Company's current issued capital.

REPORT OF THE DIRECTORS (CONTINUED)
For the year ended 31 December 2017

The Directors also held the following options to subscribe for new ordinary shares:

	Interest at 31.12.17
Abu Bakar bin Mohd Taib	500,000
Dato' Hussian @ Rizal bin A. Rahman	800,000
Derrick Chia Kah Wai	2,000,000
Seah Boon Chin	2,000,000

The options were granted on 5 December 2014 at an exercise price of 2.5p. The period of the options is ten years.

The Directors' remuneration of the Group are disclosed in Note 4.

SUBSTANTIAL SHAREHOLDERS

As at 13 June 2018, 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	53,465,724	50.30
Thornbeam Limited	16,048,922	15.10
Estate of Dato' Shamsir bin Omar	9,131,677	8.59
Vidacos Nominees Limited	8,813,255	8.29
Jim Nominees Limited	4,702,667	4.42

PUBLICATION OF ACCOUNTS ON COMPANY WEBSITE

Financial statements are published on the Company's website, which can be found at www.mobilityone.com.my. The maintenance and integrity of the website is the responsibility of the Directors. The Directors' responsibility also extends to the financial statements contained therein.

INDEMNITY OF OFFICERS

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

GROUP'S POLICY ON PAYMENT OF CREDITORS

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

EMPLOYEE INVOLVEMENT

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

GOING CONCERN

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.

REPORT OF THE DIRECTORS (CONTINUED)
For the year ended 31 December 2017

SIGNIFICANT EVENTS

During the financial year, the Group acquired a 55% equity interest in Mobility I Tap Pay (Bangladesh) Limited for BDT550,000 (c. £5,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and 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 (IFRS) as adopted for use in the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 of which the Company and 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 Company and Group's auditors are aware of that information.

AUDITORS

Jeffreys Henry LLP have expressed their willingness to continue in office as auditors to the Company. 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: 29 June 2018

BOARD OF DIRECTORS

Abu Bakar bin Mohd Taib

(Non-Executive Chairman)

Abu Bakar bin Mohd Taib, a Malaysian aged 65, has previously worked for several listed companies and financial institutions in Malaysia including Nestle (Malaysia) Berhad, Bank Bumiputera Malaysia Berhad (now part of CIMB Bank Berhad) and United Malayan Banking Berhad (now part of RHB Bank Berhad). He was mainly involved in corporate communications and corporate affairs until 2004. Since 2005 he has been the director of several companies that are principally involved in timber related activities in Malaysia. He obtained a Master of Business Administration in Marketing and Finance from West Coast University (USA) and a Bachelor of Science in Business Administration from California State University (USA).

Dato' Hussian @ Rizal bin A. Rahman

(Chief Executive Officer)

Dato' Hussian @ Rizal bin A. Rahman, a Malaysian aged 56, 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 TFP Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad (Malaysia Stock Exchange). He obtained a certified Master of Business Administration from the Oxford Association of Management, England.

Derrick Chia Kah Wai

(Chief Operating Officer)

Derrick Chia Kah Wai, a Malaysian aged 47, is the Chief Operating Officer 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 46, began his career in 1995 as a senior officer with a financial institution in Malaysia and worked in the Corporate Finance Department of several established financial institutions in Malaysia and Singapore. 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 the AIM market 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

OPINION

We have audited the financial statements of MobilityOne Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with IFRSsas adopted by the European Union and as applied in accordance with the provisions of Companies (Jersey) Law 1991; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.This is not a complete list of all risks identified by our audit.

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

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Investment in subsidiaries	
MobilityOne Limited has significant interest in subsidiary companies. As such there is a risk that the net book value of investments may be impaired.	We reviewed the net assets of the subsidiary companies in comparison to the net book value of investments. We considered the nature of MobilityOne Limited as a holding company, whilst the subsidiary companies make up the trading element of the Group. In light of this we also compared the net book value of investments with the market capitalisation of the group.
Going concern assumption	
The Group is dependent upon its ability to generate sufficient cash flows to meet continued operation costs and hence continue trading. The income is derived from the provision of e-commerce infrastructure payment solutions and platforms. The going concern assumption is dependent on the future growth and return to profitability of the current business as well as the development of the additional subsidiaries added to the Group during the year under review.	We evaluated the suitability of management's model for the forecast. The forecast includes assumptions, including those related to the growth in revenues. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.

OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

OUR APPLICATION OF MATERIALITY (Continued)

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£301,000 (2016: £265,000).	£24,000 (2016:£26,000).
How we determined it	1% of revenue 10% of profit before tax 1% of gross assets	10% of profit before tax 2% of gross assets
Rationale for benchmark applied	We believe that revenue, profit before tax and gross assetsare the primary measures used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that profit before tax and gross assetsare the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £300,000 and £2,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £15,050 (2016: £13,250) and £1,200 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's financial statements are a consolidation of nine reporting units, comprising the Group's operating businesses and holding companies.

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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT (Continued)

We performed audits of the complete financial information of MobilityOne Limited, MobilityOne Sdn Bhd, Netoss Sdn Bhd, MobilityOne Ventures Sdn Bhd, One Tranzact Sdn Bhd, Happy Remit Sdn Bhd, MobilityOne South Asia Sdn Bhd and Mobility I Tap Pay (Bangadesh) Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 95% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units).

The Group's engagement team performed all audit procedures, with the exception of the audit of MobilityOne Sdn Bhd, Netoss Sdn Bhd, MobilityOne Ventures Sdn Bhd, One Tranzact Sdn Bhd, Happy Remit Sdn Bhd, MobilityOne South Asia Sdn Bhd and Mobility I Tap Pay (Bangadesh) Limited which were performed by a component auditor in Malaysia.

Our involvement in the work of the component auditor in Malaysia included regular communication with a formal meeting arranged following the performance of the procedures. A review of the working papers was undertaken in the United Kingdom.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 our audit have not been received from branches not visited by us; or
- the parent company 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.

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a wholeare free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that anaudit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

USE OF THIS REPORT

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 auditor's 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.

Sachin Ramaiya (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry LLP, Statutory Auditor

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

Date: 29 June 2018

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	5	85,140,366	61,734,675
Cost of sales		(79,846,346)	(56,795,647)
GROSS PROFIT		5,294,020	4,939,028
Other operating income		233,981	136,382
Administration expenses		(5,129,886)	(4,002,159)
Other operating expenses	7	(782,481)	(515,807)
OPERATING (LOSS)/PROFIT		(384,366)	557,444
Finance costs	6	(228,872)	(176,279)
(LOSS)/PROFIT BEFORE TAX	7	(613,238)	381,165
Tax	8	(121,430)	(66,188)
(LOSS)/PROFIT FOR THE YEAR		(734,668)	314,977
Attributable to:			
Owners of the parent		(633,359)	315,352
Non-controlling interests		(101,309)	(375)
		(734,668)	314,977
EARNINGS PER SHARE			
Basic (loss)/earnings per share (pence)	10	(0.596)	0.297
Diluted (loss)/earnings per share (pence)	10	(0.596)	0.270

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 £	2016 £
(LOSS)/PROFIT FOR THE YEAR	(734,668)	314,977
OTHER COMPREHENSIVE PROFIT		
Foreign currency translation	87,326	104,926
TOTAL COMPREHENSIVE PROFIT	(647,342)	419,903
Total comprehensive profit attributable to:		
Owners of the parent	(9,496)	420,453
Non-controlling interests	(637,846)	(550)
	(647,342)	419,903

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share Capital £	Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £	Accum. Losses £	Total £	Non-Controlling Interest £	Total Equity £
		Non-Distributable			Distributable			
As at 1 January 2016	2,657,470	909,472	708,951	689,246	(3,701,797)	1,263,342	(5,623)	1,257,719
Comprehensive profit/(loss)								
Profit/(loss) for the year	-	-	-	-	315,352	315,352	(375)	314,977
Foreign currency translation	-	-	-	105,101	-	105,101	(175)	104,926
Total comprehensive profit for the year	-	-	-	105,101	315,352	420,453	(550)	419,903
At 31 December 2016	2,657,470	909,472	708,951	794,347	(3,386,445)	1,683,795	(6,173)	1,677,622

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2017

		Non-Distributable			Distributable			
	Share Capital £	Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £	Accum. Earnings £	Total £	Non-Controlling Interest £	Total Equity £
As at 1 January 2017	2,657,470	909,472	708,951	794,347	(3,386,445)	1,683,795	(6,173)	1,677,622
Comprehensive profit/(loss)								
Loss for the year	-	-	-	-	(633,359)	(633,359)	(101,309)	(734,668)
Foreign currency translation	-	-	-	87,326	-	87,326	(530,364)	(443,038)
Total comprehensive profit/(loss) for the year		-	-	87,326	(633,359)	(546,033)	(631,673)	(1,177,706)
At 31 December 2017	2,657,470	909,472	708,951	881,673	(4,019,804)	1,137,762	(637,846)	499,916

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.

Non-controlling interests represent the share of ownership of subsidiary companies outside the Group.

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Non-Distributable			
	Share Capital £	Share Premium £	Accumulated Earnings £	Total £
As at 1 January 2017	2,657,470	909,472	(1,277,654)	2,289,288
Loss for the year	-	-	(131,034)	(131,034)
At 31 December 2017	2,657,470	909,472	(1,408,688)	2,158,254
As at 1 January 2016	2,657,470	909,472	(1,185,189)	2,381,753
Loss for the year	-	-	(92,465)	(92,465)
At 31 December 2016	2,657,470	909,472	(1,277,654)	2,289,288

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 £	2016 £
ASSETS			
Non-current assets			
Intangible assets	11	338,938	-
Property, plant and equipment	12	2,272,557	507,151
		2,611,495	507,151
Current assets			
Inventories	14	1,621,378	1,101,772
Trade and other receivables	16	3,666,495	2,922,999
Tax recoverable		75,104	45,222
Cash and cash equivalents	17	3,425,316	1,955,270
		8,788,293	6,025,263
TOTAL ASSETS		11,399,788	6,532,414
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	18	2,657,470	2,657,470
Share premium	19	909,472	909,472
Reverse acquisition reserve	20	708,951	708,951
Foreign currency translation reserve	21	881,673	794,347
Retained earnings	22	(4,019,804)	(3,386,445)
Shareholders' equity		1,137,762	1,683,795
Non-controlling interests		(637,846)	(6,173)
TOTAL EQUITY		499,916	1,677,622

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2017

	Note	2017 £	2016 £
LIABILITIES			
Non-current liability			
Loans and borrowings – secured	23	431,825	323,726
Deferred tax liabilities		125,076	-
Amount owing to directors	26	1,536,417	-
		2,093,318	323,726
Current liabilities			
Trade and other payables	25	5,191,171	2,101,229
Amount due to Directors	26	102,187	113,501
Loans and borrowings – secured	23	3,513,196	2,316,336
		8,806,554	4,531,066
Total liabilities		10,899,872	4,854,792
TOTAL EQUITY AND LIABILITIES		11,399,788	6,532,414

The financial statements were approved and authorised by the Board of Directors on 29 June 2018 and were signed on its behalf by:

....

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

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 £	2016 £
ASSETS			
Non-current asset			
Investment in subsidiary companies	13	1,976,356	1,976,338
Current assets			
Trade and other receivables	16	1,077,417	1,068,386
Cash and cash equivalents	17	4,209	2,010
		1,081,626	1,070,396
TOTAL ASSETS		3,057,982	3,046,734
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	18	2,657,470	2,657,470
Share premium	19	909,472	909,472
Accumulated losses	22	(1,408,688)	(1,277,654)
TOTAL EQUITY		2,158,254	2,289,288
Current liabilities			
Trade and other payables	25	800,128	646,511
Amount due to Directors	26	99,600	110,935
TOTAL LIABILITIES		899,728	757,446
TOTAL EQUITY AND LIABILITIES		3,057,982	3,046,734

The financial statements were approved and authorised by the Board of Directors on 29 June 2018 and were signed on its behalf by:

....

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

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flow from/(used in) operating activities			
Cash flow from/(used in) operations	27	1,069,141	(792,145)
Interest paid		(228,872)	(176,279)
Interest received		62,631	46,872
Tax paid		(136,030)	(108,394)
Net cash generated from /(used in) operating activities		766,870	(1,029,946)
Cash flow from investing activities			
Purchase of property, plant and equipment	12	(301,387)	(23,871)
Development costs		(338,200)	
Intagible asset		(779)	-
Net cash inflow for acquisition of subsidiary company		204,291	-
Net cash used in investing activities		(436,075)	(23,871)
Cash flows from financing activities			
Net change of banker acceptance	23	1,002,406	763,946
Repayment of finance lease payables		(44,797)	(35,962)
Repayment of term loan		(3,122)	(33,783)
Net cash from/(used in) financing activities		954,487	761,767
Increase in cash and cash equivalents		1,285,282	(292,050)
Effect of foreign exchange rate changes		84,299	30,605
Cash and cash equivalents at beginning of year		1,955,270	2,216,715
Cash and cash equivalents at end of year	17	3,324,851	1,955,270

The notes form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flow from operating activities			
Cash increase (depleted) in operations	27	2,217	(8)
Cash flow from investing activities			
Investment in subsidiary		(18)	-
Increase/(Decrease) in cash and cash equivalents		2,199	(8)
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at beginning of year		2,010	2,018
Cash and cash equivalents at end of year	17	4,209	2,010

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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 Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, Channel Islands. The consolidated financial statements for the year ended 31 December 2017 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 3. 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, the controlling shareholder has also undertaken to provide support as necessary 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 2017

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 amortisation in the financial statements are as follows:

(i) 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 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment as at 31 December 2017 are disclosed in Note 12 to the financial statements.

(ii) 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 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.

The carrying amounts of the Group's intangible assets as at 31 December 2017 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.

(iii) Impairment of goodwill on consolidation

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements (continued)

(iii) Impairment of goodwill on consolidation (continued)

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 cash flows forecasts. 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 indication of impairment of the value of goodwill and of development costs.

The carrying amount of the Group's goodwill on consolidation as at 31 December 2017 is disclosed in the Note 11 to the financial statements.

(iv) Going concern

The Group determines whether it has sufficient resources in order to continue its activities by reference to budget together with current and forecast liquidity. This requires on estimate of the availability of such funding which is critically dependent on external borrowings support from the majority shareholders of the Group and, to an extent, macro-economic factors.

(v) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Company estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 14 to the financial statements.

(vi) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company 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. As at 31 December 2017, the Group has tax recoverable of £75,104 (2016: £45,222).

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2017 ACCOUNTS

Changes in accounting policies and disclosures

During the financial year, the Group has adopted the following new and amended IFRS and IFRIC interpretations that are mandatory for current financial year:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to IFRS standard 2014- 2016	Amendments to IFRS 12 *Disclosure of Interest in Other Entities*

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2017 ACCOUNTS (continued)

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:

		Effective dates for Financial periods Beginning on or after
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to IFRS 4	Applying IFRS 9 *Financial Instruments with* IFRS 4 *Insurance Contracts*	1 January 2018*
Amendments to IFRS 15	Clarification to IFRS 15	1 January 2018
Amendments to IAS 40	Transfer of Investment Property	1 January 2018
Annual Improvements of IFRSs 2012 – 2014 Cycle		
• Amendments to IFRS 1 *First-time Adoption of IFRS*		1 January 2018
• Amendments to IAS 28 *Investment in Associate and Joint Venture*		1 January 2018
IFRS 16	Leases	1 January 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 28	Long-term Interest in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2017 ACCOUNTS (continued)

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

		Effective dates for Financial periods Beginning on or after
Annual Improvements to IFRS Standards 2015 – 2017 Cycle – Various standards		1 January 2019
• Amendment to IFRS 3		1 January 2019
• Amendment to IFRS 11		1 January 2019
• Amendment to IAS 12		1 January 2019
• Amendment to IAS 23		1 January 2019
Amendment to References to Conceptual Framework in IFRS Standards		1 January 2019
IFRS 17	Insurance Contracts	1 January 2019
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or joint Venture	Deferred until further notice

Note:

* *Entities that meet the specific criteria in IFRS 4, paragraph 20B, may choose to defer the application of IFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Revenue recognition

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

(i) Revenue from trading activities

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

(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 recognised and depreciated over the shorter of the estimated useful life of the assets and the period of the leases. The capital element of future rentals is treated as a liability and the interest element is charged against profits in proportion to the balances outstanding. The rental costs of all other leased assets are charged against profits on a straight-line basis over the lease term.

Operating leases

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

Functional currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Group is Ringgit Malaysia (RM). The consolidated financial statements are presented in Pound Sterling (£), which is the Company's presentational currency as this is the currency used in the country in which the entity is listed.

Assets and liabilities are translated into Pound Sterling (£) at foreign exchange rates ruling at the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Functional currency translation (Continued)

(ii) Transactions and balances (Continued)

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 2017	5.47	5.53
Year ended 31 December 2016	5.51	5.61

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 recognised. 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 recognised 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Intangible assets

(i) Research and development costs

All research costs are recognized in the income statement as incurred.

Expenditure incurred on projects to develop new products is recognised 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Impairment of assets (Continued)

An impairment loss is recognized 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 recognized 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 recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognized in the income statement unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

Property, plant and equipment

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

(b) 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.

(c) Depreciation

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

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

Building	50 years
Motor vehicles	5 years
Leasehold improvement	10 years
Electronic Data Capture equipment	5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

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 reorganization 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.

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 recognised 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 drawn down from those borrowings.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalization are determined by applying a capitalization 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 capitalization 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

2. ACCOUNTING POLICIES (Continued)

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.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group’s operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

3. **FINANCIAL INSTRUMENTS (Continued)**

(b) Interest rate risk (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 2017	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 deposits	17	2.95-3.20	2,312,840	-	-	-	-	-	2,312,840
Finance leases	24	2.42-3.50	(106,915)	(74,852)	(20,553)	(20,771)	(17,325)	(23,111)	(263,527)
Floating rate:									
Bankers' acceptance	23	6.6-6.9	(3,299,674)						(3,299,674)
Term loan	23	4.60	-	(6,142)	(14,227)	-	-	(254,844)	(275,213)
At 31 December 2016									
Fixed rate:									
Fixed deposits	17	2.95-3.20	1,590,201	-	-	-	-	-	1,590,201
Finance leases	24	2.42-3.50	(13,619)	(14,103)	(27,056)	-	-	(3,539)	(58,317)
Floating rate:									
Bankers' acceptance	23	6.6-6.9	(2,297,268)	-	-	-	-	-	(2,297,268)
Term loan	23	4.60	(5,449)	(6,091)	(14,110)	-		(258,827)	(284,477)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

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	
	2017	**2016**
	£	**£**
Floating rate instruments		
Financial liabilities (Note 23)	3,581,029	2,581,745

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**
	£	**£**
2017		
Floating rate instruments	(35,810)	35,810
2016		
Floating rate instruments	(20,578)	20,578

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

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 do not have significant foreign currency risk at the end of reporting date.

(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 2017

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.

2017	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	5,191,171	-	-	5,191,171
Amount due to Directors	102,181	1,536,417	-	1,638,604
Loans and borrowings	3,513,196	153,870	277,955	3,945,021
Total undiscounted financial liabilities	8,806,554	1,690,287	277,955	10,774,796
2016				
Group				
Financial liabilities				
Trade and other payables	2,101,229	-	-	2,101,229
Amount due to Directors	113,501	-	-	113,501
Loans and borrowings	2,802,957	-	-	2,802,957
Total undiscounted financial liabilities	5,017,587	-	-	5,017,687
2017				
Company				
Financial liabilities				
Trade and other payables	25,888	-	-	25,888
Amount due to Directors	99,600	-	-	99,600
Amount owing to subsidiary	774,240	-	-	774,240
Total undiscounted financial liabilities	899,728	-	-	899,728
2016				
Company				
Financial liabilities				
Trade and other payables	646,511	-	-	646,511
Loans and borrowings	110,935	-	-	110,935
Total undiscounted financial liabilities	757,446	-	-	757,446

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

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 £
2017		
Financial lease liabilities (Note 24)	263,527	281,123
2016		
Financial lease liabilities (Note 24)	58,317	64,404

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 2017

4. EMPLOYEES AND DIRECTORS

	Group	
	2017	**2016**
	£	**£**
EMPLOYEES		
Wages, salaries and bonuses	441,348	474,336
Social security contribution	5,765	3,887
Contribution to defined contribution plan	52,616	38,787
Other staff related expenses	18,722	13,126
Continuing operations	518,451	530,136
DIRECTORS		
Fees	115,861	108,838
Wages, salaries and bonuses	116,865	118,037
Social security contribution	299	222
Contribution to defined contribution plan	14,024	12,578
Continuing operations	247,049	239,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

4. EMPLOYEES AND DIRECTORS (Continued)

The number of employees (excluding Directors) of the Group and of the Company at the end of the financial year were 198 (2016: 58) and Nil (2016: Nil) respectively.

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

Group 2017	**Fees £**	**Salaries and allowances £**	**Bonuses £**	**Social security contribution £**	**Defined contribution plan £**	**Total £**
Company's Directors:						
Dato' Hussian @ Rizal bin A. Rahman	36,000	64,395	-	149	7,728	108,272
Derrick Chia Kah Wai	24,000	52,470	-	150	6,296	82,916
Seah Boon Chin	39,600	-	-	-	-	39,600
Subsidiary companies' Directors:						
Tengku Muhaini Binti Sultan Hj. Ahmad Shah	5,421	-	-	-	-	5,421
Abu Bakar bin Mohd Taib	5,420	-	-	-	-	5,420
Abdul Latib bin Tokimin	5,420	-	-	-	-	5,420
	115,861	116,865	-	299	14,024	247,049

Group 2016	**Fees £**	**Salaries and allowances £**	**Bonuses £**	**Social security contribution £**	**Defined contribution plan £**	**Total £**
Company's Directors:						
Dato' Hussian @ Rizal bin A. Rahman	36,000	57,767	-	111	6,932	100,810
Derrick Chia Kah Wai	24,000	53,670	-	111	5,646	83,427
Seah Boon Chin	36,000	6,600	-	-	-	42,600
Subsidiary companies' Directors:						
Tengku Muhaini Binti Sultan Hj. Ahmad Shah	6,419	-	-	-	-	6,419
Abu Bakar bin Mohd Taib	6,419	-	-	-	-	6,419
	108,838	118,037	-	222	12,578	239,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

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 two reportable operating segments as follows:

(a) Telecommunication services and electronic commerce solutions; and
(b) Hardware

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 2017

5. OPERATING SEGMENTS (Continued)

Group 2017	Discontinued Operations: Telecommunication services and electronic commerce solutions £	Continuing Operations: Telecommunication services and electronic commerce solutions £	Continuing Operations: Hardware £	Continuing Operations: Elimination £	Continuing Operations: Total £
Segment revenue:					
Sales to external customers	-	83,767,474	1,372,892	-	85,140,366
	-	83,767,474	1,372,892	-	85,140,366
Profit before tax	-	(613,238)	-	-	(613,238)
Tax	-	(121,430)	-	-	(121,430)
Loss for the year	-	(734,668)	-	-	(734,668)
Non-cash expenses/(income) *					
Depreciation of property, plant and equipment	-	179,027	-	-	179,027
Amortisation of development costs	-	23	-	-	23
Impairment loss on goodwill	-	643,729	-	-	643,729
	-	822,779	-	-	822,779

* The disclosure for non-cash expenses has not been split according to the different segments as the cost to obtain such information is excessive and provides very little by way of information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

5. OPERATING SEGMENTS (Continued)

	Discontinued Operations	Continuing Operations			
Group 2016	**Telecommunication services and electronic commerce solutions £**	**Telecommunication services and electronic commerce solutions £**	**Hardware £**	**Elimination £**	**Total £**
Segment revenue:					
Sales to external customers	-	60,190,920	1,543,755	-	61,734,675
	-	60,190,920	1,543,755	-	61,734,675
Profit before tax	-	381,165	-	-	381,165
Tax	-	(66,188)	-	-	(66,188)
Profit for the year	-	314,977	-	-	314,977
Non-cash expenses/(income)*					
Depreciation of property, plant and equipment	-	88,608	-	-	88,608
Amortisation of development costs	-	54,291	-	-	54,291
Impairment loss on goodwill	-	-	-	-	-
	-	142,899	-	-	142,899

* The disclosure for non-cash expenses has not been split according to the different segments as the cost to obtain such information is excessive and provides very little by way of information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

6. FINANCE COSTS

	Group 2017 £	Group 2016 £
Bankers' acceptance interest	193,874	147,826
Finance lease interest	8,947	3,957
Bank guarantee interest	2,858	865
Bank overdraft	8,884	8,666
Letters of credit	-	215
Term loan	14,309	14,750
	228,872	176,279

7. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Note	Group 2017 £	Group 2016 £
Auditors' remuneration			
- Statutory audit			
- Current year		26,769	27,755
- (Over)/Under provided		(199)	2,908
Amortisation of intangible assets	11	23	-
Amortisation of development costs	11	-	54,291
Property, plant and equipment written off	12	-	531
Impairment loss on goodwill	11	643,729	-
Directors' remuneration	4	247,049	226,874
Depreciation	12	179,027	88,608
Inventories written off		5,650	1,701
Rental of premises and equipment		33,147	-
Other income		(149,220)	(10,780)
Interest income		(62,622)	(46,872)
Gain/(loss) on foreign exchange			
- realised		9,780	(1,154)
- unrealized		26,828	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

8. TAX

	Group 2017 £	Group 2016 £
Current tax expense:		
Jersey corporation tax for the year		
Foreign tax	115,908	38,654
(Over)/Under provision in prior year:	(9,760)	27,534
Foreign tax		
	106,148	66,188
Deferred tax:		
Current year provision	15,282	-
	121,430	66,188

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

	Group 2017 £	Group 2016 £
(Loss)/profit before taxation from continuing operations	(613,238)	381,165
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	(174,458)	133,938
Effect of different tax rates in other countries	(1,606)	(375)
Effect of expenses not deductible for tax	377,759	58,595
Income not taxable for tax purpose	(38,021)	(203,992)
Deferred tax assets not recognised during the year of 24%	3,847	50,488
Utilisation of previously unrecognized unabsorbed capital allowance	(36,332)	-
(Over)/Under provision of tax expense in prior year	(9,759)	27,534
Tax expense for the year	121,430	66,188

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

8. TAX (Continued)

As at 31 December 2017, the unrecognised deferred tax assets of the Group are as follows:

	Group	
	2017	2016
	£	£
Unabsorbed tax losses	186,592	260,792
Unabsorbed capital allowances	18,536	30,883
Taxable temporary difference	3,268	-
	208,396	291,675

The potential net deferred tax assets amounting to £208,396 (2016: £291,675) 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 £131,034 (2016: £92,465).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

10. (LOSS)/EARNINGS PER SHARE

	Group 2017 £	Group 2016 £
(Loss)/Profit attributable to owners of the Parent for the computation of basic (loss)/earnings per share		
(Loss)/profit from operations	(633,359)	315,352
Issued ordinary shares at 1 January	106,298,780	106,298,780
Effect of ordinary shares issued during the period	-	-
Weighted average number of shares at 31 December	106,298,780	106,298,780
Fully diluted weighted average number of shares at 31 December	116,898,780	116,898,780
(Loss)/Earnings Per Share		
Basic (loss)/earnings per share (pence)	(0.596)	0.297
Diluted (loss)/earnings per share (pence)	(0.596)	0.270

The basic (loss)/earnings per share is calculated by dividing the loss of £633,359 (2016: profit of £315,352) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 106,298,780 (2016: 106,298,780).

The diluted (loss)/earnings per share is calculated using the weighted average number of shares adjusted to assume the exercise of outstanding dilutive share options.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

11. INTANGIBLE ASSETS

GROUP **31 December 2017**	**Software** **£**	**Goodwill on consolidation** **£**	**Development Costs** **£**	**Total** **£**
Cost				
At 1 January 2017	518,811	1,076,904	962,300	2,558,015
Acquisition of subsidiary company	951	-	-	951
Addition	-	641,769	338,200	979,969
Foreign exchange differences	179,955	9,967	(3,732)	186,190
At 31 December 2017	699,717	1,728,640	1,296,768	3,725,125
Accumulated amortisation and impairment loss				
At 1 January 2017	518,811	1,076,904	962,300	2,558,015
Acquisition of subsidiary company	172	-	-	172
Amortisation charge for the year	23	-	-	23
Impairment loss for the year	-	643,729	-	643,729
Foreign exchange differences	179,973	8,007	(3,732)	184,248
At 31 December 2017	698,979	1,728,640	958,568	3,386,187
Net Carrying Amount				
At 31 December 2017	738	-	338,200	338,938
31 December 2016				
Cost				
At 1 January 2016	518,811	1,076,904	962,300	2,558,015
Foreign exchange differences	-	-	-	-
At 31 December 2016	518,811	1,076,904	962,300	2,558,015
Accumulated amortisation and impairment loss				
At 1 January 2016	518,811	1,076,904	908,009	2,503,724
Amortisation charge for the year	-	-	54,291	54,291
Impairment loss for the year	-	-	-	-
Foreign exchange differences	-	-	-	-
At 31 December 2016	518,811	1,076,904	962,300	2,558,015
Net Carrying Amount				
At 31 December 2016	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

11. INTANGIBLE ASSETS (Continued)

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.

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 5 years period. The projections are based on the assumption that the Group can recognise projected sales which grow at 10% per annum which is based on expected clientele over time. 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. The directors have relied on past experience and all external evidence available in determining the assumptions.

During the financial year, the Group impairment loss amounting to £643,729 (2016: NIL) in respect of the goodwill on consolidation.A significant proportion of goodwill on consolidation relates to the acquisition of Mobility I TapPay (Bangladesh) Ltd. which is a CGU and has a carrying amount of NIL (2016: NIL). Its 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 2017

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2017	Building £	Motor Vehicles £	Leasehold improvement £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
Cost										
At 1 January 2017	387,903	218,278	10,867	180,792	260,781	36,355	83,690	36,286	71,408	1,286,360
Acquisition on subsidiary	-	70,568	-	1,360,625	48,408	-	81,938	31,779	-	1,593,318
Additions	-	97,181	-	302,607	120,581	404	4,321	22,795	3,505	551,394
Reclassification	-	-	-	(3,198)	-	-	-	-	-	(3,198)
Foreign exchange differences	(58,420)	78	(1,026)	29,552	(464)	304	(1,324)	(482)	597	(31,185)
At 31 December 2017	329,483	386,105	9,841	1,870,378	429,306	37,063	168,625	90,378	75,510	3,396,689
DEPRECIATION										
At 1 January 2017	21,974	191,213	(1,787)	182,875	218,962	26,890	66,149	28,137	44,796	779,209
Acquisition on subsidiary	-	13,948	-	131,361	9,557	-	12,209	5,344	-	172,419
Depreciation charge for the year	13,458	40,841	1,022	72,111	32,472	2,011	6,256	6,416	4,440	179,027
Reclassification	-	-	-	(95)	-	-	-	-	-	(95)
Foreign exchange differences	(12,248)	1,541	5,397	(2,629)	793	250	203	(164)	429	(6,428)
At 31 December 2017	23,184	247,543	4,632	383,623	261,784	29,151	84,817	39,733	49,665	1,124,132
NET CARRYING AMOUNT										
At 31 December 2017	306,299	138,562	5,209	1,486,755	167,522	7,912	83,808	50,645	25,845	2,272,557

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2016	Building £	Motor Vehicles £	Leasehold improve-ment £	Electronic Data Capture equipment £	Computer equipment £	Computer software £	Furniture and fittings £	Office equipment £	Renovation £	Total £
Cost										
At 1 January 2016	336,158	189,160	9,532	152,220	212,794	31,347	71,625	30,082	61,883	1,094,801
Additions	-	-	-	5,140	15,933	183	1,042	1,573	-	23,871
Written off					(531)					(531)
Foreign exchange differences	51,745	29,118	1,335	23,432	32,585	4,825	11,023	4,631	9,525	168,219
At 31 December 2016	387,903	218,278	10,867	180,792	260,781	36,355	83,690	36,286	71,408	1,286,360
DEPRECIATION										
At 1 January 2016	8,215	147,910	2,581	130,481	175,816	21,249	52,892	22,972	35,118	597,234
Depreciation charge for the year	6,640	20,182	1,031	31,753	15,889	2,329	5,013	1,573	4,198	88,608
Written off										
Foreign exchange differences	7,119	23,121	(5,399)	20,641	27,257	3,312	8,244	3,592	5,480	93,367
At 31 December 2016	21,794	191,213	(1,787)	182,875	218,962	26,890	66,149	28,137	44,796	779,209
NET CARRYING AMOUNT										
At 31 December 2016	365,929	27,065	12,654	(2,083)	41,819	9,465	17,541	8,149	26,612	507,151

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Cash payments of £301,387 (2016: £23,871) were made by the Group to purchase property, plant and equipment.

(b) Included in property, plant and equipment of the Group are motor vehicles and Electronic Data Capture equipment with net carrying amounts of £85,949 and £214,280 (2016: £27,065 and NIL) held under finance leases arrangements.

(c) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 23 to the financial statements are :-

	Group	
	2017	**2016**
	£	**£**
Building	306,29918	365,929

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2017 £	Company 2016 £
COST		
At 1 January	1,976,338	1,976,338
Add: Investment during the financial year	18	-
Less: Impairment loss during the financial year	-	-
At 31 December	1,976,338	1,976,338

Details of the subsidiary companies are as follows:

Name of Subsidiary Companies	Country of incorporation	Effective Ownership of Ordinary Shares Interest ** 2017 (%)	2016 (%)	Principal Activities
MobilityOne Sdn. Bhd.	Malaysia	100	100	Provision of e-Channel products and services, technology managed services and solution sales and consultancy
MobilityOne South Asia Sdn. Bhd.	Malaysia	100	100	Investment holding
Direct subsidiary companies of MobilityOne Sdn. Bhd.				
Netoss Sdn. Bhd.	Malaysia	100	100	Provision of solution sales and services
MobilityOne Ventures Sdn Bhd	Malaysia	100	100	Dormant
MobilityOne Philippines, Inc*	Philippines	95	95	Provision of IT systems and solutions and to establish a multi-channel electronic service bureau
One Tranzact Sdn. Bhd.	Malaysia	100	100	Provision of electronic payment and product fulfillment
Direct subsidiary company of MobilityOne South Asia Sdn Bhd				
Mobility I Tap Pay (Bangladesh) Ltd*#	Bangladesh	55	-	Provision of financial services

* Audited by firm of auditors other than UHY.

** All the above subsidiary undertakings are included in the consolidated financial statements.

\# The 55% equity interest was acquired on 6 November 2017 for BDT 550,000 (c. £ 5,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The effect of the acquisition on the financial results of the Group in respect of the financial period is as follows:

	2017
	£
Property, plant and equipment	1,420,898
Intangible assets	779
Inventory	267,730
Other receivables	285,385
Cash and Bank balances	209,330
Loan from Director	(1,530,500)
Deferred tax liability	(113,605)
Trade payables	(188,409)
Other payables	(1,509,300)
Total identifiable assets and liabilities	(1,157,692)

The gross carrying amount of the trade and other receivables approximately their fair value. None of the receivables were impaired and the full contractual amount were expected to be collected.

Net cash flows arising from acquisition of subsidiary company are as follows:

	2017
	£
Purchase consideration settled in cash	5,039
Cash and cash equivalents acquired	(209,330)
Net Cash inflows arising from acquisition of subsidiary companies	(204,291)

Goodwill arising from business combination:

	2017
	£
Fair value of consideration transferred	5,039
Non-controlling interests, based on their proportionate Interest in the recognized amounts of the assets and liabilities of the acquire	520,961
Fair value of identifiable assets acquired and liabilities assumed	(1,157,692)
	(636,730)
Goodwill	641,769

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

Impact of the acquisition on the Statement of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary company has not contributed any revenue to the Group's revenue and decrease the Group's profit for the financial period by £224,320. The combination has taken place at the beginning of the financial year.

Material partially owned non-controlling interests

Set out below are the Group's subsidiary company that have material non-controlling interests:

	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
	2017 %	2017 £	2017 £
Name of company			
Mobility I Tap Pay (Bangladesh) Ltd	45	(224,320)	(629,996)
Total non-controlling interests			(629,996)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The effect of the acquisition on the financial results of the Group in respect of the financial period is as follows:

(i) Summarised statements of financial position

	Mobility I Tap Pay (Bangladesh) Ltd 2017 £
Non-current assets	1,360,770
Current assets	621,444
Non-current liabilites	(1,661,493)
Current liabilities	(1,656,806)
Net liabilities	(1,336,085)

(ii) Summarised of statement of profit or loss and other comprehensive income

	Mobility I Tap Pay (Bangladesh) Ltd 2017 £
Revenue	-
Net loss for the financial period	(224,320)
Total comprehensive loss for the financial period	(224,320)

(iii) Summarised statement of cash flows

	Mobility I Tap Pay (Bangladesh) Ltd 2017 £
Net cash used in operating activities	(241,436)
Net cash used in investing activities	(765,381)
Net cash from financing activities	1,028,551
Net increase in cash and cash equivalent	21,734

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

14. INVENTORIES

	Group 2017 £	Group 2016 £
At lower of cost and net realisable value:		
Airtime	1,360,261	1,101,772
Goods	261,117	-
	1,621,378	1,101,772
Recognised in profit or loss:		
Cost of sales	79,157,699	58,270,192
Inventories written off	5,650	1,694

15. INVESTMENT IN ASSOCIATE COMPANY

In previous financial year, the subsidiary Company acquired 50% of the issued and paid-up share capital of Happy Remit Sdn Bhd. (formerly known as Unique Change Sdn. Bhd.)

Name of Company	Country of incorporation	Effective Interest 2017 (%)	Effective Interest 2016 (%)	Principal Activities
Happy Remit Sdn. Bhd (formerly known as Unique Change Sdn. Bhd.)	Malaysia	50	50	Provider for International remittance services

The associate company is not material individually to the financial position, financial performance and cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade receivables				
- Third parties	2,714,144	2,024,291	-	-
Other receivables				
- Deposits	19,886	281,969	-	-
- Prepayments	4,603	3,838	-	-
- Sundry receivables	911,024	609,110	-	-
- Staff advances	16,838	3,791	-	-
- Amount due from subsidiary company	-	-	1,077,417	1,068,386
	952,351	898,708	1,077,417	1,068,386
Total trade and other receivables	3,666,495	2,922,999	1,077,417	1,068,386

(a) The Group's and the Company's normal trade credit terms range from 30 to 60 days (2016: 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	
	2017	2016
	£	£
Neither past due nor impaired	1,930,438	1,448,176
1 to 2 months past due	94,788	1,116,372
3 to 12 months past due	688,918	(540,256)
	783,706	576,116
	2,714,144	2,024,292

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

16. TRADE AND OTHER RECEIVABLES (Continued)

(a) The Group's and the Company's normal trade credit terms range from 30 to 60 days (2016: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis.

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.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cash in hand and at banks	1,112,476	527,964	4,209	2,010
Fixed deposits with licensed bank	2,312,840	1,590,201	-	-
Cash and bank balances	3,425,316	2,118,165	4,209	2,010
Less : Bank overdraft (Note 23)	(100,465)	(162,895)	-	-
Cash and cash equivalents	3,324,851	1,955,270	4,209	2,010

(a) The above fixed deposits have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 23 to the financial statements.

(b) The Group's effective interest rates and maturities of deposits are range from 2.95% – 3.20% (2016: 2.95% – 3.20%) and from 1 month to 12 months (2016: 1 month to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

18. CALLED UP SHARE CAPITAL

	Number of ordinary shares of £0.025 each		Amount	
	2017	2016	2017	2016
	£	£	£	£
Authorised in MobilityOne Limited				
At 1 January/31 December	400,000,000	400,000,000	10,000,000	10,000,000
Issued and fully paid in MobilityOne Limited				
At 1 January	106,298,780	106,298,780	2,657,470	2,657,470
At 31 December	106,298,780	106,298,780	2,657,470	2,657,470

19. COMPANY EQUITY INSTRUMENTS

	Share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 January 2017	2,657,470	909,472	(1,277,654)	2,289,288
Loss for the year	-	-	(131,034)	(131,034)
At 31 December 2017	2,657,470	909,472	(1,408,688)	2,158,254
At 1 January 2016	2,657,470	909,472	(1,185,189)	2,381,753
Loss for the year	-	-	(92,465)	(92,465)
At 31 December 2016	2,657,470	909,472	(1,277,654)	2,289,288

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

20. 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.

21. 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.

	2017 £	2016 £
At 1 January	794,347	689,246
Currency translation differences during the year	87,326	105,101
At 31 December	881,673	794,347

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.

22. RETAINED EARNINGS

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
At 1 January	(3,386,445)	(3,701,797)	(1,277,654)	(1,185,189)
Profit/(loss) for the year	(633,359)	315,352	(131,034)	(92,465)
At 31 December	(4,019,804)	(3,386,445)	(1,408,688)	(1,277,654)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

23. FINANCIAL LIABILITIES – LOANS AND BORROWINGS

	Group	
	2017	2016
	£	£
Non-Current		
Secured:		
Finance lease payables (Note 24)	156,612	44,698
Term loan	275,213	279,028
	431,825	323,726
Current		
Secured:		
Bankers' acceptance	3,299,674	2,297,268
Bank Overdraft	100,465	162,894
Finance lease payables (Note 24)	106,915	13,619
Term loan	6,142	5,449
	3,513,196	2,479,230
Total Borrowings		
Secured:		
Bankers' acceptance	3,299,674	2,297,268
Bank Overdraft	100,465	162,894
Finance lease payables (Note 24)	263,527	58,317
Term loan	281,355	284,477
	3,945,021	2,802,956

The bankers' acceptance and bank overdraft secured by the following:

(a) pledged of fixed deposits of a subsidiary company (Note 17);
(b) personal guarantee by Dato' Hussian @ Rizal bin A. Rahman, a Director of the Company; and
(c) corporate guarantee by the Company.

The term loan is secured by the following:

(a) Charge over the Company's building (Note 12); and
(b) joint and several guaranteed by Dato' Hussian @ Rizal bin A. Rahman and Derrick Chia Kah Wai, the Directors of the Company.

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

	Group	
	2017	2016
	%	%
Bankers' acceptance	6.6-6.9	6.6-6.9
Bank overdraft	8.85	8.85
Term loan	4.60	4.60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

23. FINANCIAL LIABILITIES – LOANS AND BORROWINGS (Continued)

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

	Group	
	2017	**2016**
	£	**£**
Within one year	3,406,281	2,465,612
Between one to two years	6,142	6,092
Between two to three years	14,227	14,109
Between three and four years	-	-
Between four to five years	-	-
More than five years	254,844	258,827
	3,681,494	2,744,640

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

24. FINANCE LEASE PAYABLES

	Group	
	2017	2016
	£	£
Minimum lease payments:		
Not later than 1 year	119,902	15,946
Later than 1 year but not later than 2 years	80,481	15,753
Later than 2 years but not later than 5 years	23,438	20,538
Later than 5 years	57,302	12,167
	281,123	64,404
Less: Future finance charges	(17,596)	(6,087)
Present value of finance lease liabilities	263,527	58,317
Present value of minimum lease payments:		
Not later than 1 year	106,915	13,619
Later than 1 year but not later than 2 years	74,852	14,103
Later than 2 years but not later than 5 years	20,553	27,056
Later than 5 years	61,207	3,539
	263,527	58,317
Analysed as:		
Due within 12 months (Note 20)	106,915	13,619
Due after 12 months (Note 20)	156,612	44,698
	263,527	58,317

The Group has finance lease contracts for certain motor vehicles and Electronic Data Capture equipment 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 2017

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade payables				
- Third parties	481,804	81,334	-	-
Other payables				
- Deposits	619,503	46,143	-	-
- Accruals	721,026	969,583	-	1,155
- Sundry payables	3,368,838	1,004,169	25,888	645,356
Amount due to subsidiary companies	-	-	774,240	-
	4,709,361	2,019,895	800,128	646,511
Total trade and other payables	5,191,171	2,101,229	800,128	646,511
Add: Amount due to Directors (Note 26)	1,638,604	113,501	99,600	110,935
Add: Loans and borrowings (Note 23)	3,945,021	2,802,956	-	-
Total financial liabilities carried at amortised costs	10,774,796	5,017,686	899,728	757,446

(a) The Group's normal trade credit terms range from 30 to 90 days (2016: 30 to 90 days).

(b) Other payables are non-interest bearing. Other payables are normally settled on an average terms of 60 days (2016: 60 days).

26. AMOUNT DUE TO DIRECTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Non-Current				
Dr Md Zahir Uddin*	1,384,537	-	-	-
Dr Md Shahin Hossain*	148,047	-	-	-
Keiko Tarida*	3,833	-	-	-
	1,536,417	-	-	-
Current				
Dato' Hussian @ Rizal bin A. Rahman	38,587	40,301	36,000	37,735
Derrick Chia Kah Wai	24,000	30,600	24,000	30,600
Seah Boon Chin	39,600	42,600	39,600	42,600
	102,187	113,501	99,600	110,935

* Amount due from the Group's subsidiary, Mobility I Tap Pay (Bangladesh) Limited, to the subsidiary's directors.

These are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

27. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	Group	
	2017	2016
	£	£
Cash flow from operating activities		
(Loss)/Profit before tax		
- Continuing	(613,238)	381,165
- Discontinued operations	-	-
	(613,238)	381,165
Adjustments for:		
Depreciation of property, plant and equipment	179,027	88,608
Amortisation of intangible assets	23	-
Amortisation of development costs	-	54,291
Impairment loss on goodwill	643,729	-
Interest expenses	228,872	176,279
Inventories written off	5,650	1,701
Interest income	(62,631)	(46,872)
Operating profit before working capital changes	381,432	655,172
(Increase) in inventories	(257,526)	(40,465)
(Increase)/Decrease in receivables	(458,111)	424,789
Decrease in amount due to Directors	(104,997)	(5,102)
Increase/(Decrease) in payables	1,508,343	(1,826,539)
Cash generated from/(used in) operations	1,069,141	(792,145)

	Company	
	2017	2016
	£	£
Cash flow from operating activities		
Loss before tax	(131,034)	(92,465)
(Increase)/ in trade and other receivable	(9,031)	(531,404)
Increase/(Decrease) in payables	253,217	626,021
Increase/(Decrease) in amount due to Directors	(110,935)	(2,160)
Cash depleted in operations	2,217	(8)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

28. RELATED PARTY TRANSACTIONS

At the Statement of Financial Position date, the Group owed the Directors £1,638,604 (2016: £2,566), the Company owed the Directors £99,600 (2016: £109,200), MobilityOne Sdn. Bhd. owed the Company £303,177 (2016: £448,685), Netoss Sdn. Bhd. owed MobilityOne Sdn. Bhd. £436,721 (2016:£819,715), MobilityOne Ventures Sdn .Bhd. owed MobilityOne Sdn. Bhd. £6,895 (2015: £4,725) and MobilityOne Sdn. Bhd. owed One Trazact Sdn. Bhd. £1,001,978 (2016: £616,215), and Netoss Sdn. Bhd. owed LMS Technology Distribution Sdn. Bhd., a company related to a Director (Dato' Hussian @ Rizal bin A. Rahman), £14,955 (2016: £14,831). The amounts owing to or from the subsidiary companies and related parties are repayable on demand and are interest free.

On 1 March 2017, MobilityOne Sdn Bhd entered into a tenancy agreement to rent an office in Sabah, Malaysia from LMS Digital Sdn Bhd, a company related to a Director (Dato' Hussian @ Rizal bin A. Rahman) for one year (from 1 March 2017 to 28 February 2018) for RM2,500 (c. £460) a month.

29. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, as at 31 December 2017, the ultimate controlling party in the Company is Dato' Hussian @ Rizal bin A. Rahman by virtue of his shareholding.

30. 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	
	2017	2016
	£	£
Limit of guarantees		
Corporate guarantee given to a licensed bank by the Company for credit facilities granted to a subsidiary company	3,983,808	2,460,162
Amount utilised		
Banker's guarantee in favour of third parties	189,332	55,041

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

31. SHARE BASED PAYMENTS

During the year ended 31 December 2017, the Company did not grant any new share option to directors and employees of the Group. No charge was made for the share options of 10,600,000 shares in 2014 as it was not considered to be material.

The fair value of the share options granted in 2014 was calculated using Black-Scholes model assuming the inputs shown below:

Grant date	5 December 2014
Share price at grant date	1.5p
Exercise price	2.5p
Option life in years	10 years
Risk free rate	4.24%
Expected volatility	40%
Expected dividend yield	0%
Fair value of options	1p

No option has been exercised or lapsed.

32. SIGNIFICANT EVENT

There was no significant event after the financial year end.

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 27 July 2018 at B-10-8, Level 10, Megan Avenue II, Jalan Yap Kwan Seng, 50450 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 2017 be adopted.

2. **THAT** Derrick Chia Kah Wai is re-elected as a Director.

3. **THAT** Seah Boon Chin is re-elected as a Director.

4. **THAT** Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be reappointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.

5. **THAT** the Directors be authorised to fix the remuneration of the Auditors.

BY ORDER OF THE BOARD

Abu Bakar bin Mohd Taib
Chairman

Dated: 29 June 2018

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.

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FORM OF PROXY

No. of Shares:

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 B-10-8, Level 10, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia on 27 July 2018 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 2017 be adopted.			
2. **THAT** Derrick Chia Kah Wai is re-elected as a Director.			
3. **THAT** Seah Boon Chin is re-elected as a Director.			
4. **THAT** Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be reappointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.			
5. **THAT** the Directors be authorised to fix the remuneration of the Auditors.			

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: 2018

If for and on behalf of a corporation:

Signed by: ....

for and on behalf of: ....

Position: ....

Dated: 2018

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.

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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

www.mobilityone.com.my

MOBILITYONE

REGISTERED OFFICE

MobilityOne Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES
Channels Islands

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Malaysia

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