



MOBILITYONE



# ANNUAL REPORT 2018

**MOBILITYONE LIMITED**

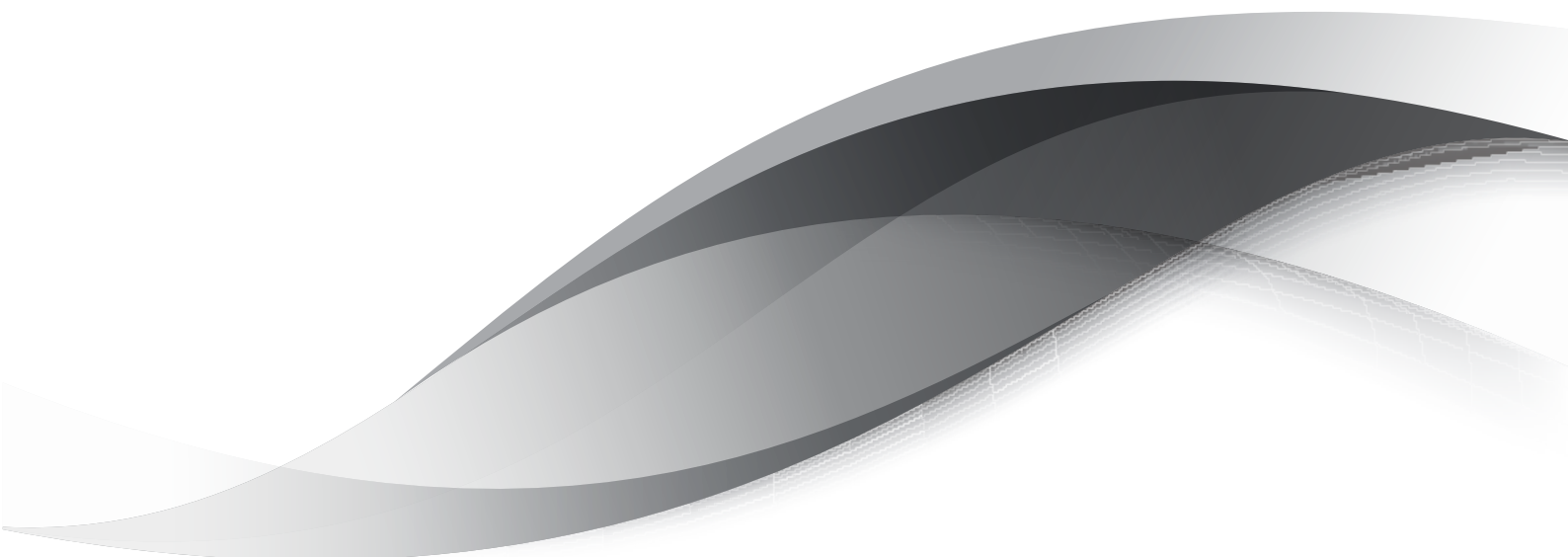
*Incorporated in Jersey, registered number 96293*

Listed on AIM of the London Stock Exchange



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## COMPANY INFORMATION

For the year ended 31 December 2018

### 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

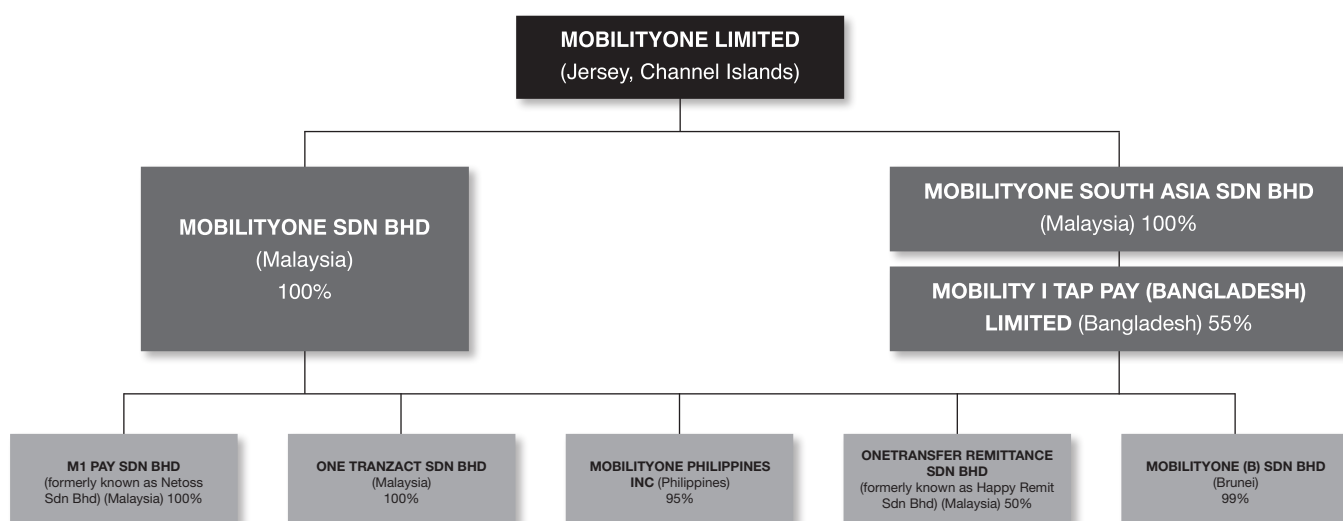
Allenby Capital Limited  
5 St. Helen's Place  
London EC3A 6AB  
United Kingdom

# CHAIRMAN'S STATEMENT

For the year ended 31 December 2018

## 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 2018.

The revenue of the Group increased by 47.37% to £125.47 million (2017 revenue: £85.14 million) which was mainly contributed by growth of the Group's e-payment business in the mobile phone prepaid airtime reload and bill payment business via the Group's banking channels (such as mobile banking, internet banking and ATMs) with 10 banks and approximately 2,500 payment terminal bases in Malaysia. However, the Group reported a net loss after tax of £1.36 million in 2018 (2017 loss after tax: £0.73 million) mainly due to the loss contributed by Mobility i Tap Pay (Bangladesh) Limited ("MiTP"), the Company's 55%-owned subsidiary in Bangladesh. The Group is required to consolidate the results of MiTP even though it was acquired for only BDT550,000 (c. £5,000) in 2017.

During the year, the Group decided to strike off MobilityOne Ventures Sdn Bhd, a dormant subsidiary in Malaysia, and subscribed for 99.9% shareholding in MobilityOne (B) Sdn Bhd, which was incorporated in Brunei and dormant for the Group to explore business opportunities in Brunei. While the e-payment business was growing in Malaysia, the Group's international remittance service in Malaysia has not made a significant contribution to the Group.

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 business in Bangladesh through MiTP for the provision of a mobile financial services platform named "Tap 'n Pay" for Meghna Bank Ltd which has 47 branches in Bangladesh, has incurred substantial costs in 2018 to build the infrastructure such as the expansion of the point of sales to more than 7,000. However MiTP only generated a small revenue in 2018.

As at 31 December 2018, the Group had cash and cash equivalents of £4.18 million (31 December 2017: cash and cash equivalents of £3.43 million) and the secured loans and borrowings from financial institutions totaled £4.27 million (31 December 2017: £3.95 million).



## CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 31 December 2018

### CURRENT TRADING AND OUTLOOK

The Directors expect the Group's business operations in Malaysia will continue to grow, especially the mobile phone prepaid airtime reload and bill payment business through more business partnerships to expand the payment terminal base and users.

In addition, the Group is planning to expand its e-Money business, initially by targeting students. e-Money is a type of payment instrument where it contains monetary value that has been paid in advance by the end users to the e-Money issuer to make payments to purchase goods from merchants such as retail outlets. When the end users pay using e-Money, the amounts are automatically deducted from their e-Money balance. The Group currently has agreements with 5 schools in Malaysia to test the integrated student cards with payments. The Group also plans to commence the mobile remittance service by end of this year which allows money transfer using a mobile application. The Board expects this will have a good growth potential in the longer term as there are more than 2 million foreign workers in Malaysia who have the need to send money back to their home countries. For future growth, the Group will continue to enhance its product offering and payment system, including online payment gateway which covers the acceptance of credit cards and payment wallets.

Even though the operations in the Philippines for the provision of an e-payment solution is not expected to make a significant contribution to the Group in 2019, the Group is still exploring other business opportunity, including eMoney business. The Group is also exploring eMoney business in Brunei.

Notwithstanding the business in Bangladesh is expected to continue to incur more costs in 2019 to expand the network infrastructure, the long-term prospects with new services to be introduced in the future, such as inward money transfer services and local municipal bill payment services, are expected to enhance the growth of business in Bangladesh and the Group as a whole. As such, the Board remains confident on the Group's future outlook.

.....  
**Abu Bakar bin Mohd Taib**  
Chairman

Date: 28 June 2019

# REPORT OF THE DIRECTORS

For the year ended 31 December 2018

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 2018.

## PRINCIPAL ACTIVITY

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

## KEY PERFORMANCE INDICATORS

	Year ended 31.12.2018 £	Year ended 31.12.2017 £
Revenue	125,471,796	85,140,366
Operating loss	(1,360,589)	(384,366)
Loss before tax	(1,637,015)	(613,238)
Net loss for the year	(1,362,451)	(734,668)

## 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 2018

### 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)/profit for the year ended 31 December 2018 was (£1,361,613) (2017: £647,342) which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2018.

### 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 2018 in the ordinary shares of the Company, were as follows:

Ordinary 2.5p shares	Interest at 31.12.18	% of issued capital
Abu Bakar bin Mohd Taib	Nil	Nil
Dato' Hussian @ Rizal bin A. Rahman	53,465,724	50.30
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 issued capital.

## REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2018

The Directors also held the following ordinary shares under options:

	<b>Interest at 31.12.18</b>
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 is disclosed in Note 4.

### SUBSTANTIAL SHAREHOLDERS

As at 18 June 2019, 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:

<b>Ordinary 2.5p shares</b>	<b>Number of ordinary shares</b>	<b>% of issued capital</b>
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	8,772,001	8.25
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](http://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 brought 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 2018

### SIGNIFICANT EVENTS

There were no significant events during the financial year.

### 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:

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

Date: 28 June 2019

## BOARD OF DIRECTORS

### **Abu Bakar bin Mohd Taib**

*(Non-Executive Chairman)*

Abu Bakar bin Mohd Taib, a Malaysian aged 66, 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 57, 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 the Managing 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 48, 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 47, 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.

## CORPORATE GOVERNANCE REPORT

The Directors recognise the importance of good corporate governance and have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (“QCA Code”) in line with the changes to AIM Rules requiring all AIM quoted companies to adopt and comply with a recognised corporate governance code. The Directors consider that the Company complies with the QCA Code so far as is practicable.

The QCA Code identifies 10 principles that focus on the pursuit of medium to long term value for shareholders. The following report sets out in broad terms how the Company currently complies with the QCA Code.

### **1. *Establish a strategy and business model which promote long-term value for shareholders***

The Group’s strategy and business model are developed by the Chief Executive Officer (“CEO”) and approved by the Board, whenever required. The management team, led by the CEO, is responsible for implementing the strategy.

Over the years, the Group has developed its core competencies in providing a bridge between the service providers to their end consumers using the Group’s technology to accept transactions via multiple channels either via mobile phones, Internet, electronic data capture terminals and even via banking channels like Internet banking portal, automated teller machines (ATM) and mobile banking.

Even though the e-payment business in Malaysia, particularly prepaid airtime reload and bill payment business, is contributing substantially to the Group’s revenue, the Group continues to explore other business opportunities in Malaysia and other countries such as Bangladesh, the Philippines and Brunei to enhance its product offering for future growth.

The key risks and uncertainties to the business model and strategy are detailed in the Report of the Directors and note 3 of the Company’s Accounts for the year ended 31 December 2018.

### **2. *Seek to understand and meet shareholder needs and expectations***

The Company encourages two-way communication with its shareholders to understand their needs and expectations.

The Board recognises the annual general meeting (“AGM”) as an important opportunity to meet shareholders. The AGM is the main forum for dialogue with shareholders and all members of the Board attend the AGM and are available to answer questions raised by shareholders and to listen to views of shareholders.

It should be noted that the top three shareholders hold over 70% of the Company’s share capital, 50.3% of the share capital being held by the CEO. The CEO talks regularly with the Company’s major non-board shareholders to understand their needs and expectations. Some of the Company’s larger shareholders have been investors in the Company for a number of years. They have the direct contact details of the CEO.

In the future should voting decisions not be in line with the Company’s expectations, the Board would endeavour to engage with those shareholders to understand and address any issues.

Contact details are provided on the contacts page of the Company’s website and within public documents should shareholders wish to communicate with the Company.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**

The Group is aware of its corporate social responsibilities and the need to maintain good relationships across a range of stakeholder groups, including employees, business partners, suppliers, customers and regulatory authorities.

The Group's operations and working environment take into account the needs of all stakeholder groups while maintaining focus on the responsibility to promote the success of the Group. The Group encourages feedback from all stakeholder groups as the Group's long term strategy is to create shareholder value.

The Group places considerable value on the involvement of employees and continues to keep them informed on matters affecting the Group through formal and informal meetings which provide opportunities to received feedback on issues affecting the Group.

The Group's activities are reliant on maintaining good relationships with a number of banking partners in Malaysia and in Bangladesh. In addition the Group's remittance business requires certain licences from the Central Bank of Malaysia and the CEO maintains a good flow of communication with the Central Bank of Malaysia to ensure the Group's activities continue to operate under the correct regulatory framework.

### **4. Embed effective risk management, considering both opportunities and threats, throughout the organization**

The principal risks and uncertainties affecting the business are set in the Report of the Directors and note 3 of the Company's Accounts for the year ended 31 December 2018.

The Board monitors these risks, which include technological, regulatory and commercial risks, on a regular basis and the risks are considered by the Group during Board meetings. The Executive Directors and senior management team meet regularly during the year to review and evaluate risks and opportunities. The senior management meets regularly to review ongoing trading performance and any new risks associated with ongoing trading.

Risk identification can come from several sources: employees or other stakeholder feedback; executive meetings; and decisions taken at Audit Committee and Board meetings.

### **5. Maintain the board as a well- functioning, balanced team led by the chair**

The Board comprises two Executive Directors and two Non-Executive Directors. The two Non-Executive Directors are the members of audit, remuneration and nomination committees who have the necessary skills and knowledge to discharge their duties and responsibilities.

The Non-executive Chairman is responsible for the running of the Board and the CEO has main executive responsibility for running the Group's business and implementing the Group's strategy.

The Chairman is considered to be an Independent Director and acts as a Senior Independent Director. Dominic Seah (Non-Executive Director) is not deemed to be independent due to having previously been an executive board member and his length of tenure. Notwithstanding this, the Board considers that Dominic Seah brings an independent judgement to bear notwithstanding the aforementioned considerations.

The Directors receive regular updates on the Group's operational and financial performance during Board meetings and they have committed sufficient time to fulfill their responsibilities.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **5. *Maintain the board as a well- functioning, balanced team led by the chair (continued)***

The Company believes it has effective procedures in place to monitor and deal with conflicts of interest. In particular the Board is aware of the other time commitments and interests of the CEO. Significant changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

In addition to the numerous written Board resolutions approved by the Board which have the same force and effect as if adopted at duly convened meetings of all the Directors, the Company had three Board meetings in 2018 and attended by all the Directors.

### **6. *Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities***

The Directors' biographies are set out in the section "Board of Directors" of the Company's Accounts for the year ended 31 December 2018.

The Board is satisfied that between the Directors, they have sufficient skills, experience and capabilities to enable the strategy of the Company to be delivered.

The Nomination Committee will make recommendations to the Board on all new Board appointments. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria.

The Board, if required, will review the composition of the Board to ensure that it has the necessary diversity of skills to support the ongoing development of the Group. Gender diversity is not in the Company's immediate plans.

All Directors retire by rotation at regular intervals (every 3 years) in accordance with the Company's Articles of Association.

The Directors attend courses and seminars to keep their skill set up to date.

### **7. *Evaluate board performance based on clear and relevant objectives, seeking continuous improvement***

The Directors undergo a performance evaluation before being proposed for re-election to ensure that they continue to be effective and committed to the role. All directors meet to discuss the performance evaluation together.

Appraisals are carried out each year with all Executive Directors.

The Board considers that the size of the Company does not justify the use of third parties to evaluate the performance of the Board on an annual basis.

All Directors retire by rotation at regular intervals (every 3 years) and stand for re-election at the AGM. During the year the Non-executive Directors are responsible for informally reviewing directors' performance and highlighting any issues identified.

At the present time, succession planning is not in the Company's immediate plans however the Board will monitor the need to implement an informal or formal succession plan going forward.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 8. *Promote a corporate culture that is based on ethical values and behaviours*

The Group maintains a high standard of integrity in the conduct of its operations and is committed to providing a safe and healthy working environment for its employees. The Group operates a corporate culture that is based on ethical values and behaviours.

In addition, the Group encourages an open culture, with regular discussions with employees regarding their performance and skills development to achieve the objectives and strategy of the Group.

Any recommendations from staff to improve the working environment or in respect of health and safety matters will be assessed by the Human Resources and Administration Manager and, as appropriate, proposed to the Board for necessary actions to be taken.

Given the size of the Group, all practices undertaken by the Group are reviewed by the Executive Directors to ensure that the ethical values and behaviours are being adhered to.

### 9. *Maintain governance structures and processes that are fit for purpose and support good decision- making by the board*

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-executive Directors are responsible for bringing independent and objective judgment to Board decisions.

There is a clear separation of the roles of CEO and Non-executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group. The CEO has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group.

The Board has established the following committees: Audit Committee, Remuneration Committee and Nomination Committee. The members of the three committees are Abu Bakar bin Mohd Taib (Non-executive Chairman) and Dominic Seah (Non-executive Director). Abu Bakar bin Mohd Taib chairs the Audit Committee, Remuneration Committee and Nomination Committee.

The Audit Committee normally meets twice a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

The Remuneration Committee meets at least once a year and has responsibility for making recommendations to the Board on matter such as the remuneration packages for each of the Directors.

The Nomination Committee, which meets as required, has responsibility for reviewing the size and composition of the Board, the appointment of replacement or additional Directors and making appropriate recommendations to the Board.

The Directors consider that the Group has an appropriate governance framework for its size now and as it grows but they will consider the evolution of this framework on an annual basis.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **9. *Maintain governance structures and processes that are fit for purpose and support good decision-making by the board (continued)***

The Board does not maintain a formal schedule of matters reserved for Board decision but matters such as financial results, Board appointments and acquisitions require approval at Company's Board meetings or written Board resolutions approved by the Board which have the same force and effect as if adopted at duly convened meetings of all the Directors. In 2018, the Company held three Board meetings.

### **10. *Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.***

The Company encourages two-way communication with various stakeholder groups, including shareholders and responds quickly to their relevant queries.

The Directors recognise the AGM as an important opportunity to meet shareholders and the Directors are available to answer questions raised by the shareholders.

The Company's website is regularly updated to include business progress, financial performance and corporate actions reflecting information that has already been announced by the Company through regulatory announcements.

The Company will announce and post on its website the results of voting on all resolutions in future general meetings (including annual general meetings) including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent. of independent shareholders.

Under AIM Rule 26, the Company already publishes historical annual reports, notices of meetings and other publications over the last five years which can be found here: <http://www.mobilityone.com.my/v4/annual-reports.html>

The Company has not published an audit committee or remuneration committee report in its annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Group. The Board will consider annually whether it considers it appropriate for these reports to be included in future annual report and accounts.

# 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 2018 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 2018 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 IFRSs as 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
<p><b>Investment in subsidiaries</b></p> <p>MobilityOne Limited has significant interest in subsidiary companies. As such there is a risk that the net book value of investments may be impaired.</p>	<p>We reviewed the net assets of the subsidiary companies in comparison to the net book value of investments.</p> <p>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.</p>
<p><b>Going concern assumption</b></p> <p>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.</p> <p>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.</p>	<p>We evaluated the suitability of management's model for the forecast.</p> <p>The forecast includes assumptions, including those related to the growth in revenues.</p> <p>Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.</p>

### 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	£630,000 (2017: £301,000)	£39,000 (2017:£24,000)
How we determined it	0.5% of Revenue	2% of Net Assets
Rationale for benchmark applied	We believe that Revenue is the most appropriate bench mark for this entity and used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark	We believe that Net Assets is the most appropriate bench mark for this entity 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 £624,000 and £2,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £31,500 (Group audit) (2017: £15,050) and £2,050 (Company audit) (2017: £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 ten 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, M1 Pay Sdn Bhd (formerly known as Netoss Sdn Bhd), One Tranzact Sdn Bhd, and Mobility I Tap Pay (Bangladesh) Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and Mobility I Tap Pay (Bangladesh) Limited accounted for 100% of the Group's loss before tax.

The Group's engagement team performed all audit procedures, with the exception of the audit of MobilityOne Sdn Bhd, M1 Pay Sdn Bhd (formerly known as Netoss Sdn Bhd), One Tranzact Sdn Bhd, MobilityOne South Asia Sdn Bhd, MobilityOne Philippines Inc, Onetransfer Remittance Sdn Bhd (formerly known as Happy Remit Sdn Bhd), Mobility I Tap Pay (Bangladesh) 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. No review was done on MobilityOne (B) Sdn Bhd, the dormant subsidiary.

## 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 whole are 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 an audit 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](http://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: 28 June 2019

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

	Note	2018 £	2017 £
Revenue	5	125,471,796	85,140,366
Cost of sales		(118,106,575)	(79,846,346)
<b>GROSS PROFIT</b>		<b>7,365,221</b>	<b>5,294,020</b>
Other operating income		77,544	233,981
Administration expenses		(8,445,816)	(5,129,886)
Distribution costs		(103,632)	-
Other operating expenses		(231,621)	(782,481)
Share of associate result	15	(22,285)	-
<b>OPERATING (LOSS)/PROFIT</b>		<b>(1,360,589)</b>	<b>(384,366)</b>
Finance costs	6	(276,426)	(228,872)
<b>LOSS BEFORE TAX</b>	7	<b>(1,637,015)</b>	<b>(613,238)</b>
Tax	8	274,564	(121,430)
<b>LOSS FOR THE YEAR</b>		<b>(1,362,451)</b>	<b>(734,668)</b>
Attributable to:			
Owners of the parent		(735,204)	(633,359)
Non-controlling interests		(627,247)	(101,309)
		<b>(1,362,451)</b>	<b>(734,668)</b>
<b>LOSS PER SHARE</b>			
Basic loss per share (pence)	10	(0.692)	(0.596)
Diluted loss per share (pence)	10	(0.692)	(0.596)

The notes form part of these financial statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	2018 £	2017 £
<b>(LOSS) FOR THE YEAR</b>	(1,362,451)	(734,668)
OTHER COMPREHENSIVE PROFIT		
Foreign currency translation	838	87,326
<b>TOTAL COMPREHENSIVE PROFIT</b>	<b>(1,361,613)</b>	<b>(647,342)</b>
Total comprehensive profit attributable to:		
Owners of the parent	(696,138)	(9,496)
Non-controlling interests	(665,475)	(637,846)
	<b>(1,361,613)</b>	<b>(647,342)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

		Non-Distributable			Distributable			
	Share Capital	Share Premium	Reverse Acquisition Reserve	Foreign Currency Translation Reserve	Accum. Losses	Total	Non-Controlling Interests	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
<b>Comprehensive profit/(loss)</b>								
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)
<b>At 31 December 2017</b>	<b>2,657,470</b>	<b>909,472</b>	<b>708,951</b>	<b>881,673</b>	<b>(4,019,804)</b>	<b>1,137,762</b>	<b>(637,846)</b>	<b>499,916</b>

The notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2018

	Share Capital £	Non-Distributable			Distributable	Total	Non- Controlling Interests £	Total Equity £
		Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £				
As at 1 January 2018	2,657,470	909,472	708,951	881,673	(4,019,804)	1,137,762	(637,846)	499,916
<b>Comprehensive profit/(loss)</b>								
Profit/(loss) for the year	-	-	-	-	(735,204)	(735,204)	(627,247)	(1,362,451)
Foreign currency translation	-	-	-	838	-	838	(38,228)	(37,390)
Total comprehensive profit for the year		-	-	838	(735,204)	(734,366)	(665,475)	(1,399,841)
<b>At 31 December 2018</b>	<b>2,657,470</b>	<b>909,472</b>	<b>708,951</b>	<b>882,511</b>	<b>(4,755,008)</b>	<b>403,396</b>	<b>(1,303,321)</b>	<b>(899,925)</b>

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.

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

		Non-Distributable		
	Share Capital £	Share Premium £	Accumulated Losses £	Total £
As at 1 January 2018	2,657,470	909,472	(1,408,688)	2,158,254
Loss for the year	-	-	(177,497)	(177,497)
<b>At 31 December 2018</b>	<b>2,657,470</b>	<b>909,472</b>	<b>(1,586,185)</b>	<b>1,980,757</b>
As at 1 January 2017	2,657,470	909,472	(1,277,654)	2,289,288
Loss for the year	-	-	(131,034)	(131,034)
<b>At 31 December 2017</b>	<b>2,657,470</b>	<b>909,472</b>	<b>(1,408,688)</b>	<b>2,158,254</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 £	2017 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	11	302,286	338,938
Property, plant and equipment	12	1,884,900	2,272,557
Deferred tax assets		193,962	-
		2,381,148	2,611,495
<b>Current assets</b>			
Inventories	14	1,381,106	1,621,378
Trade and other receivables	16	4,260,086	3,666,495
Tax recoverable		141,890	75,104
Assets held for sale	17	119,439	-
Cash and cash equivalents	18	4,181,490	3,425,316
		10,084,011	8,788,293
<b>TOTAL ASSETS</b>		12,465,159	11,399,788
<b>SHAREHOLDERS' EQUITY</b>			
<b>Equity attributable to owners of the parent:</b>			
Called up share capital	19	2,657,470	2,657,470
Share premium	20	909,472	909,472
Reverse acquisition reserve	21	708,951	708,951
Foreign currency translation reserve	22	882,511	881,673
Retained earnings	23	(4,755,008)	(4,019,804)
Shareholders' equity		403,396	1,137,762
Non-controlling interests		(1,303,321)	(637,846)
<b>TOTAL EQUITY</b>		(899,925)	499,916

The notes form part of these financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

	Note	2018 £	2017 £
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Loans and borrowings – secured	24	499,893	431,825
Deferred tax liabilities		470	125,076
Amount owing to directors	27	1,754,319	1,536,417
		2,254,682	2,093,318
<b>Current liabilities</b>			
Trade and other payables	26	7,215,540	5,191,171
Amount owing to directors	27	122,685	102,187
Loans and borrowings – secured	24	3,767,696	3,513,196
Tax payables		4,481	-
		11,110,402	8,806,554
<b>Total liabilities</b>		13,365,084	10,899,872
<b>TOTAL EQUITY AND LIABILITIES</b>		12,465,159	11,399,788

The financial statements were approved and authorised by the Board of Directors on 28 June 2019 and were signed on its behalf by:

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



## COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 £	2017 £
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in subsidiary companies	13	1,976,356	1,976,356
<b>Current assets</b>			
Trade and other receivables	16	1,080,288	1,077,417
Cash and cash equivalents	18	4,353	4,209
		1,084,641	1,081,626
<b>TOTAL ASSETS</b>		<b>3,060,997</b>	<b>3,057,982</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Equity attributable to owners of the parent:</b>			
Called up share capital	19	2,657,470	2,657,470
Share premium	20	909,472	909,472
Accumulated losses	23	(1,586,185)	(1,408,688)
<b>TOTAL EQUITY</b>		<b>1,980,757</b>	<b>2,158,254</b>
<b>Current liabilities</b>			
Trade and other payables	26	28,913	25,906
Amount owing to subsidiary companies		931,327	774,222
Amount owing to directors		120,000	99,600
<b>TOTAL LIABILITIES</b>		<b>1,080,240</b>	<b>899,728</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,060,997</b>	<b>3,057,982</b>

The financial statements were approved and authorised by the Board of Directors on 28 June 2019 and were signed on its behalf by:

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flow from/(used in) operating activities</b>			
Cash flow from operations	28	1,201,064	1,069,141
Interest paid		(276,426)	(228,872)
Interest received		66,554	62,631
Tax paid		(93,759)	(136,030)
Tax refund		-	-
Net cash generated from operating activities		897,433	766,870
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	12	(893,113)	(301,387)
Development costs		-	(338,200)
Intangible asset		-	(779)
Increase in asset held for sale		(119,439)	-
Proceeds from disposal of property, plant and equipment		779,123	-
Net cash outflow for disposal of subsidiary company		-	-
Net cash inflow for acquisition of subsidiary company		18,267	204,291
Net cash used in investing activities		(215,162)	(436,075)
<b>Cash flows from financing activities</b>			
Drawdown of borrowings		90,429	-
Increase in pledged fixed deposits		(297,416)	-
Net change of banker acceptance	25	252,118	1,002,406
Repayment of finance lease payables		(13,604)	(44,797)
Repayment of term loan		(6,375)	(3,122)
Net cash from financing activities		25,152	954,487
<b>Increase in cash and cash equivalents</b>		707,423	1,285,282
<b>Effect of foreign exchange rate changes</b>		76,044	84,299
<b>Cash and cash equivalents at beginning of year</b>		3,324,851	1,955,270
<b>Cash and cash equivalents at end of year</b>	18	4,108,318	3,324,851

The notes form part of these financial statements

## COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flow from operating activities</b>			
Cash depleted in operations	28	144	2,217
<b>Cash flow from investing activities</b>			
Investment in subsidiary		-	(18)
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares		-	-
<b>Increase/(Decrease) in cash and cash equivalents</b>		144	2,199
<b>Effect of foreign exchange rate changes</b>		-	-
<b>Cash and cash equivalents at beginning of year</b>		4,209	2,010
<b>Cash and cash equivalents at end of year</b>	18	4,353	4,209

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

## 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 2018 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 ABOSSSE.

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 profit forecasts for companies within the Group. These 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.

The controlling shareholder has also undertaken to provide support to enable the Group to meet its debts as and when they fall due, and in addition, the company has obtained undertakings from the directors of Mobility i Tap Pay (Bangladesh) Limited to postpone the repayment of the amounts due to them if necessary.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Going Concern (continued)

Hence, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis accordingly.

Should the underlying assumptions of the forecasts prove invalid and the shareholder support was withdrawn, the Group may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classifications of recorded asset amounts or liabilities that may be necessary should the Group & Company be unable to continue as a going concern.

#### 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 2018 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 2018 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Estimation uncertainty and critical judgements (continued)

##### (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.

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 2018 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 an 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 2018, the Group has tax recoverable of £141,890 (2017: £75,104).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### IFRS AND IAS UPDATE FOR 31 DECEMBER 2018 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:

- |                                  |   |
|----------------------------------|---|
| • IFRS 9                         | Financial instruments                                   |
| • IFRS 15                        | Revenue from contracts with customers                   |
| • IFRS 2 (amendments)            | Share based payment                                     |
| • IFRS 1 and IAS 28 (amendments) | Annual Improvements to IFRS Standards 2014–2016 Cycle   |
| • IAS 40                         | Transfers of Investment Property (Amendments to IAS 40) |
| • IFRIC 22                       | Foreign Currency Transactions and Advance Consideration |

The impact of adopting the above new and amended IFRS and IFRIC interpretations had no material impact on the financial statements of the Group and the Company, except for:

i) IFRS 9 Financial Instruments

The adoption of IFRS 9 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard are not relevant to the Group and to the Company.

Upon adopting IFRS 9, the Group and the Company applied transitional relief, and have elected not to restate the comparative periods in the financial year of initial adoption. The impact arising from IFRS 9 adoption were included in the opening retained earnings at the date of initial application, 1 January 2018.

(a) Classification of financial assets and liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") and replaces the existing IFRS 39 Financial Instruments: Recognition and Measurement categories of loans and receivables, held-to-maturity and available-for-sale. Classification under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

Unquoted equity instruments previously carried at cost less impairment loss that classified as available-for-sale financial assets are classified and measured as equity instruments designated at FVTOCI beginning 1 January 2018. The Group elected to classify irrevocably its unquoted equity instruments under this category at the date of initial application as it intends to hold these investments for the foreseeable future.

Liquid investments were classified as loans and receivables under IFRS 39. On the adoption of IFRS 9, the liquid investments meet the criteria for mandatory measurement of FVTPL because the contractual cash flows of these securities are not solely payments of principal and interest on the principal outstanding.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

(b) Impairment

IFRS 9 requires impairment assessments to be based on an Expected Credit Loss (“ECL”) model, replacing the incurred loss model under IFRS 39. The Group and the Company require to record ECL on all of its debt instruments, loans and receivables, either on a 12-months or lifetime basis. The Group and the Company applied the simplified approach and record lifetime expected losses on all receivables. Based on readily information as at the date of this report, the Group and the Company do not expect any significant increase in impairment losses.

(c) Effect of changes in classification and measurement of financial assets on 1 January 2018

	As at 31.12.2017 £	Reclassification to MFRS 9 AC £
<b>Group</b>		
<b>Financial assets</b>		
Loan and receivables		
Trade and other receivables	3,666,495	3,666,495
Cash and cash balances	3,425,316	3,425,316
<b>Company</b>		
<b>Financial assets</b>		
Trade and other receivables	1,077,417	1,077,417
Cash and cash balances	4,209	4,209

The Directors regard the liquid investments as cash and cash equivalents in view of their high liquidity and insignificant changes in fair value.

The adoption of IFRS 9 results in changes in accounting policies for financial instruments. The Group and the Company has implemented the new classification and measurement and impairment rules under IFRS 9. The impact of reclassification and the calculation of ECL has no material impact to the financial statements of the Group and of the Company, and the standard has thus been implemented without adjusting the opening balance at 1 January 2018.

(ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, IFRS 15 can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date.

The adoption of IFRS 15 has no material financial impact other than the disclosures made in the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

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

There were a number of standards and interpretations which were in issue at 31 December 2018 but were not effective at 31 December 2018 and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Group and will be incorporated in the preparation of the Group Financial Statements from the effective dates noted below

The new standards include:

IFRS 3	Business Combinations <sup>2</sup>
IFRS 16	Leases <sup>1</sup>
IFRS 17	Insurance Contracts <sup>3</sup>
IAS 1	Presentation of Financial Statements <sup>2</sup>
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors <sup>2</sup>
IAS 19	Employee Benefits (amendment) <sup>1</sup>
IAS 28	Investment in associates and joint ventures (amendment) <sup>1</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>1</sup>

Improvements to IFRSs      Annual Improvements 2015-2017 Cycle<sup>1</sup>: Amendments to 2 IFRSs and 2 IASs

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after 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.

#### 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 the profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### (ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost

#### (iii) 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.

#### (iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.

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 2018

### 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.

##### (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.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

## 2. ACCOUNTING POLICIES (Continued)

### 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.

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 2018	5.27	5.39
Year ended 31 December 2017	5.47	5.53

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Taxation

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

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base at the Statement of Financial Position date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Intangible assets (continued)

##### (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 acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 10 years.

#### Impairment of assets

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

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

An impairment loss is 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### 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.

(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	10 years
Computer equipment	3 to 5 years
Computer software	10 years
Furniture and fittings	10 years
Office equipment	10 years
Renovation	10 years

The depreciable amount is determined after deducting the residual value.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (continued)

##### (c) Depreciation (continued)

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. Investments in associates are accounted for using the equity method of accounting.

#### Inventories

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

#### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 16(a) for further information about the Group's accounting for trade receivables and note 2 for a description of the group's impairment policies.

#### 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.

#### Assets held for sale

Non-current assets are classified as 'held for sale' when all of the following criteria are met: a decision has been made to sell; the assets are available for sale immediately; the assets are being actively marketed; and a sale has been agreed or is expected to be concluded within 12 months of the balance sheet date.

Immediately prior to classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Subsequently, assets classified as held for sale are valued at the lower of book value or fair value less disposal costs. Assets held for sale are not depreciated.

#### 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 and subsequently measured at amortised cost using the effective interest method.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 2. ACCOUNTING POLICIES (Continued)

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### 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 2018

### 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 2018

### 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 2018

### 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 2018	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	18	2.95-3.20	2,610,256		-		-		-		2,610,256
Finance leases	24	2.42-4.00	(114,074)		(47,209)	(63,994)	-		-	(24,646)	(249,923)
Floating rate:											
Bankers' acceptance	24	6.16-6.61	(3,551,792)		-		-		-		(3,551,792)
Term loan	24	4.60	(3,632,011)		(7,719)	(17,453)	-		-	(253,412)	(3,910,596)
At 31 December 2017											
Fixed rate:											
Fixed deposits	18	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	24	6.6-6.9	(3,299,674)		(6,142)		-		-	(254,844)	(3,299,674)
Term loan	24	4.60	-			(14,227)	-		-		(275,213)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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	
	2018	2017
	£	£
Floating rate instruments		
Financial liabilities (Note 24)	3,944,494	3,581,029

##### 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
	£	£
2018		
Floating rate instruments	(39,445)	39,445
2017		
Floating rate instruments	(35,810)	35,810

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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 2018

### 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.

	On demand or within one year £	On demand one to five year £	On demand over five year £	Total £
<b>2018</b>				
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	7,192,093	-	-	7,192,093
Amount owing to directors	122,685	1,754,319	-	1,877,004
Loans and borrowings	3,746,085	521,504	-	4,267,589
Total undiscounted financial liabilities	11,060,863	2,275,823	-	13,336,686
<b>2017</b>	£	£	£	£
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	5,191,771	-	-	5,191,771
Amount owing 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	8,807,148	1,690,287	277,955	10,774,796
<b>2018</b>	£	£	£	£
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	28,913	-	-	28,913
Amount owing to directors	120,000	-	-	120,000
Amount owing to subsidiary	931,327	-	-	931,327
Total undiscounted financial liabilities	1,080,240	-	-	1,080,240
<b>2017</b>	£	£	£	£
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	25,888	-	-	25,888
Amount owing to directors	99,600	-	-	99,600
Amount owing to subsidiary	774,240	-	-	774,240
Total undiscounted financial liabilities	899,728	-	-	899,728



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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 £
<b>2018</b>		
Financial lease liabilities (Note 24)	249,923	273,603
<b>2017</b>		
Financial lease liabilities (Note 24)	263,527	281,123

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 2018

### 4. EMPLOYEES AND DIRECTORS

	Group	
	2018	2017
	£	£
<b>EMPLOYEES</b>		
Wages, salaries and bonuses	1,355,896	441,348
Social security contribution	10,017	5,765
Contribution to defined contribution plan	97,314	52,616
Other staff related expenses	238,064	18,722
Continuing operations	1,701,291	518,451
<b>DIRECTORS</b>		
Fees	121,628	115,861
Wages, salaries and bonuses	147,078	116,865
Social security contribution	343	299
Contribution to defined contribution plan	17,649	14,024
Continuing operations	286,698	247,049

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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 231 (2017: 198) and Nil (2017: Nil) respectively.

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

Group 2018	Fees £	Salaries and allowances £	Bonuses £	Social security contribution £	Defined contribution plan £	Total £
<u>Company's Directors:</u>						
Dato' Hussian @ Rizal						
bin A. Rahman	36,000	80,224	-	172	9,627	126,023
Derrick Chia Kah Wai	24,000	66,854	-	171	8,022	99,047
Seah Boon Chin	43,800	-	-	-	-	43,800
<u>Subsidiary companies' Directors:</u>						
Tengku Muhaini Binti						
Sultan Hj. Ahmad Shah	5,572	-	-	-	-	5,572
Abu Bakar bin Mohd Taib	6,685	-	-	-	-	6,685
Abdul Latib bin Tokimin	5,571	-	-	-	-	5,571
	121,628	147,078	-	343	17,649	286,698

### Group 2017

<u>Company's Directors:</u>						
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
<u>Subsidiary companies' Directors:</u>						
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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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 more than 95% of the Group's revenue for the financial ended 31 December 2018 was generated in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 5. OPERATING SEGMENTS (Continued)

Group 2018	Discontinued Operations	Continuing Operations			Total £
	Telecommunication services and electronic commerce solutions £	Telecommunication services and electronic commerce solutions £	Hardware £	Elimination £	
Segment revenue:					
Sales to external customers	-	125,585,413	224,963	(338,580)	125,471,796
	-	125,585,413	224,963	(338,580)	125,471,796
(Loss) before tax	-	(1,637,015)	-	-	(1,637,015)
Tax	-	274,564	-	-	274,564
(Loss) for the year	-	(1,362,451)	-	-	(1,362,451)
<b>Non-cash expenses/(income) *</b>					
Depreciation of property, plant and equipment	-	649,905	-	-	649,905
Amortisation of development costs	-	68,852	-	-	68,852
Impairment loss on goodwill	-	-	-	-	-
	-	718,757	-	-	718,757

\* 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 2018

### 5. OPERATING SEGMENTS (Continued)

Group 2017	Discontinued Operations	Continuing Operations			Total £
	Telecommunication services and electronic commerce solutions £	Telecommunication services and electronic commerce solutions £	Hardware £	Elimination £	
Segment revenue:					
Sales to external customers	-	83,767,474	1,372,892	-	85,140,366
	-	83,767,474	1,372,892	-	85,140,366
(Loss) before tax	-	(613,238)	-	-	(613,238)
Tax	-	(121,430)	-	-	(121,430)
(Loss) for the year	-	(734,668)	-	-	(734,668)
<b>Non-cash expenses/(income)*</b>					
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 2018

### 6. FINANCE COSTS

	Group	
	2018	2017
	£	£
Bankers' acceptance interest	222,276	193,874
Finance lease interest	15,616	8,947
Bank guarantee interest	3,731	2,858
Bank overdraft	8,477	8,884
Letters of credit	-	-
Term loan	26,326	14,309
	276,426	228,872

### 7. (LOSS) BEFORE TAX

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

		Group	
		2018	2017
	Note	£	£
Auditors' remuneration			
- Statutory audit			
- Current year		33,354	26,769
- Under/(Over) provided		362	(199)
Amortisation of intangible assets	11	68,852	23
Amortisation of development costs	11	-	-
Property, plant and equipment written off	12	-	-
Impairment loss on goodwill	11	-	643,729
Directors' remuneration	4	286,698	247,049
Depreciation	12	649,905	179,027
Inventories written off		-	5,650
Rental of premises and equipment		-	33,147
Other income		(77,544)	(149,220)
Interest income		(66,554)	(62,622)
Gain on foreign exchange			
- realised		6,302	9,780
- unrealised		1,671	26,828



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 8. TAX

	Group	
	2018 £	2017 £
Current tax expense:		
Jersey corporation tax for the year	-	-
Foreign tax	24,510	115,908
Under/(Over) provision in prior year:		
Foreign tax	11,086	(9,760)
	35,596	106,148

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	
	2018 £	2017 £
Loss before taxation	(1,637,015)	(613,238)
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	(392,884)	(174,458)
Effect of different tax rates in other countries	(221,194)	(1,606)
Effect of expenses not deductible for tax	689,174	377,759
Income not taxable for tax purpose	(1,246)	(38,021)
Deferred tax assets not recognised during the year of 24%	(435,914)	3,847
Utilisation of previously unrecognized unabsorbed capital allowance	76,414	(36,332)
Overprovision of tax expense in prior year	11,086	(9,759)
Tax (income)/expense for the year	(274,564)	121,430

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 8. TAX (Continued)

As at 31 December 2018, the unrecognised deferred tax assets of the Group are as follows:

	Group 2018 £	2017 £
Unabsorbed tax losses	171,736	186,592
Unabsorbed capital allowances	293,265	18,536
Taxable temporary difference	-	3,268
	465,001	208,396

The potential net deferred tax assets amounting to £465,001 (2017: £208,396) 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 £177,497 (2017: £131,034).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 10. LOSS PER SHARE

	Group	
	2018 £	2017 £
<b>Profit/(loss) attributable to owners of the Parent for the computation of basic earnings/(loss) per share</b>		
Loss from continuing operations	(735,204)	(633,359)
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
<b>Loss Per Share</b>	(0.692)	(0.596)
Basic (loss) per share (pence)	(0.692)	(0.596)
Diluted (loss) per share (pence)		

The basic earnings per share is calculated by dividing the loss of £735,204 (2017: loss of £633,359) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 106,298,780 (2017: 106,298,780).

The diluted 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 2018

### 11. INTANGIBLE ASSETS

GROUP 31 December 2018	Software £	Goodwill on consolidation £	Development Costs £	Total £
<b>Cost</b>				
At 1 January 2018	699,717	1,728,640	1,296,768	3,725,125
Acquisition	-	20,903	-	20,903
Reclassification	338,200	-	(338,200)	-
Foreign exchange differences	39,303	-	36,288	75,591
At 31 December 2018	1,077,220	1,749,543	994,856	3,821,619
<b>Accumulated amortisation and impairment loss</b>				
At 1 January 2018	698,979	1,728,640	958,568	3,386,187
Amortisation charge for the year	68,852	-	-	68,852
Foreign exchange differences	28,006	-	36,288	64,294
At 31 December 2018	795,837	1,728,640	994,856	3,519,333
<b>Net Carrying Amount</b>				
At 31 December 2018	281,383	20,903	-	302,286
<b>31 December 2017</b>				
<b>Cost</b>				
At 1 January 2017	518,811	1,076,904	962,300	2,558,015
Acquisition	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
<b>Accumulated amortisation and impairment loss</b>				
At 1 January 2017	518,811	1,076,904	962,300	2,558,015
Acquisition	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
<b>Net Carrying Amount</b>				
At 31 December 2017	738	-	338,200	338,938

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 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 £Nil (2017: £643,729) in respect of the goodwill on consolidation. A significant proportion of goodwill on consolidation relates to the acquisition of Mobility I Tap Pay (Bangladesh) Ltd. which is a CGU and has a carrying amount of NIL (2017: 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 2018

### 12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2018	Building £	Motor Vehicles £	Leasehold improve- ment £	Electronic		Computer equipment £	Computer software £	Furniture and fittings £		Office equipment £	Renovation £	Total £
				Capture equipment £	Data £							
<b>Cost</b>												
At 1 January 2018	329,483	386,105	9,841	1,870,378		429,306	37,063	168,625		90,378	75,510	3,396,689
Additions	-	303,760	-	478,280		22,908	58,021	24,598		1,540	4,006	893,113
Disposal	-	-	-	(596,668)		(13,188)	-	-		-	-	(609,856)
Reclassification	-	(113,990)	-	-		-	-	-		-	-	(113,990)
Foreign exchange differences	12,473	23,164	73	80,617		17,300	2,700	7,995		3,861	2,948	151,131
At 31 December 2018	341,956	599,039	9,914	1,832,607		456,326	97,784	201,218		95,779	82,464	3,717,087
<b>DEPRECIATION</b>												
At 1 January 2018	23,184	247,543	4,632	383,623		261,784	29,151	84,817		39,733	49,665	1,124,132
Depreciation charge for the year	6,916	86,086	970	478,165		47,583	2,943	12,380		10,068	4,794	649,905
Disposal	-	-	-	(524)		(12,353)	-	-		-	-	(12,877)
Foreign exchange differences	1,033	12,735	56	37,122		11,072	1,169	3,853		2,000	1,987	71,027
At 31 December 2018	31,133	346,364	5,658	898,386		308,086	33,263	101,050		51,801	56,446	1,832,187
<b>NET CARRYING AMOUNT</b>												
At 31 December 2018	310,823	252,675	4,256	934,221		148,240	64,521	100,168		43,978	26,018	1,884,900

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 31 December 2017	Building £	Motor Vehicles £	Leasehold improve- ment £	Electronic			Furniture and fittings £	Office equipment £	Renovation £	Total £
				Capture equipment £	Computer equipment £	Computer software £				
<b>Cost</b>										
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
Disposal	-	-	-	(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
<b>DEPRECIATION</b>										
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
Disposal	-	-	-	(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
<b>NET CARRYING AMOUNT</b>										
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 2018

### 12. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) Cash payments of £931,723 (2017: £301,387) 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 £105,065 and £189,815 (2017: £85,949 and £214,280) held under finance leases arrangements.
- (c) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group and of the Company pledged as securities for bank borrowings as disclosed in Note 24 to the financial statement are:

	Group 2018 £	2017 £
Freehold building	310,823	306,299

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2018	2017
	£	£
<b>COST</b>		
At 1 January	1,976,356	1,976,338
Add: Investment during the financial year	-	18
Less: Impairment loss during the financial year	-	-
At 31 December	1,976,356	1,976,356

Details of the subsidiary companies are as follows:

Name of Subsidiary Companies	Country of incorporation	Effective Ownership of Ordinary Shares Interest **		Principal Activities
		2018 (%)	2017 (%)	
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.				
M1 Pay Sdn. Bhd. (Formerly known as Netoss Sdn. Bhd.)	Malaysia	100	100	Provision of solution sales and services
MobilityOne Ventures Sdn. Bhd.	Malaysia	100	100	Struck-off
Direct subsidiary companies of MobilityOne Sdn. Bhd. (Continued)				
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
MobilityOne (B) Sdn. Bhd.*	Brunei	99	-	Financial Services
Direct subsidiary company of MobilityOne South Asia Sdn. Bhd.				
Mobility I Tap Pay* (Bangladesh) Ltd	Bangladesh	55	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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 14. INVENTORIES

	Group	
	2018	2017
	£	£
<b>At lower of cost and net realisable value:</b>		
Airtime	1,138,674	1,360,261
Electronic data capture equipment	51,838	-
Card	5,812	-
Finished group	184,782	261,117

### 15. INVESTMENT IN ASSOCIATE COMPANY

	Group	
	2018	2017
	£	£
<b>At cost:</b>		
Unquoted shares in Malaysia	388,143	365,858
Share of post-acquisition reserve	(22,285)	-
	365,858	365,858
<b>Accumulated impairment losses:</b>		
Balance at beginning/at end of the financial year	(365,858)	(365,858)
Balance at end of the financial year	-	-

Details of the associate company are as follows:

Name of Company	Country of incorporation	Effective Interest		Principal Activities
		2018 (%)	2017 (%)	
Onetransfer Remittance Sdn. Bhd. (Formerly known as Happy Remit 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 2018

### 16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade receivables				
- Third parties	3,056,458	2,714,144	-	-
Other receivables				
- Deposits	60,182	19,886	-	-
- Prepayments	38,838	4,603	-	-
- Sundry receivables	1,097,107	911,024	-	-
- Staff advances	7,501	16,838	-	-
- Amount due from subsidiary company	-	-	1,080,288	1,077,417
	4,260,086	952,351	1,080,288	1,077,417
Total trade and other receivables	4,260,086	3,666,495	1,080,288	1,077,417

#### Ageing analysis

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

	Group	
	2018	2017
	£	£
Neither past due nor impaired	2,879,647	1,930,438
1 to 2 months past due	7,486	94,788
3 to 12 months past due	169,325	688,918
	176,811	783,706
	3,056,458	2,714,144

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 16. TRADE AND OTHER RECEIVABLES (Continued)

- (a) The Group's and the Company's normal trade credit terms range from 30 to 60 days (2018: 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. ASSETS HELD FOR SALE

	Group 2018 £	2017 £
At 1 January		
Addition	119,439	-
At 31 December	119,439	-

### 18. CASH AND CASH EQUIVALENTS

	Group 2018 £	2017 £	Company 2018 £	2017 £
Cash in hand and at banks	1,571,234	1,112,476	4,353	4,209
Fixed deposits with licensed bank	2,610,256	2,312,840	-	-
	4,181,490			
Cash and bank balances		3,425,316	4,353	4,209
Less : Bank overdraft (Note 23)	(73,172)	(100,465)	-	-
Cash and cash equivalents	4,108,318	3,324,851	4,353	4,209

- (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% (2017: 2.95% – 3.20%) and from 1 month to 12 months (2017: 1 month to 12 months) respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 19. CALLED UP SHARE CAPITAL

	Number of ordinary shares of £0.025 each		Amount	
	2018 £	2017 £	2018 £	2017 £
<b>Authorised in MobilityOne Limited</b>				
At 1 January/31 December	400,000,000	400,000,000	10,000,000	10,000,000
<b>Issued and fully paid in MobilityOne Limited</b>				
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

### 20. COMPANY EQUITY INSTRUMENTS

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2018	2,657,470	909,472	(1,408,688)	2,158,254
Loss for the year	-	-	(177,497)	(177,497)
At 31 December 2018	2,657,470	909,472	(1,586,185)	(1,980,757)
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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 21. 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.

### 22. 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.

	2018 £	2017 £
At 1 January	881,673	794,347
Currency translation differences during the year	838	87,326
At 31 December	882,511	881,673

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.

### 23. RETAINED EARNINGS

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

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
At 1 January	(4,019,804)	(3,386,445)	(1,408,688)	(1,277,654)
Loss for the year	(735,204)	(633,359)	(177,497)	(131,034)
At 31 December	(4,755,008)	(4,019,804)	(1,586,185)	(1,408,688)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 24. FINANCIAL LIABILITIES – LOANS AND BORROWINGS

	Group	
	2018	2017
	£	£
<b>Non-Current</b>		
Secured:		
Finance lease payables (Note 24)	221,309	156,612
Term loan	278,584	275,213
	499,893	431,825
<b>Current</b>		
Secured:		
Bankers' acceptance	3,551,792	3,299,674
Bank Overdraft	73,172	100,465
Finance lease payables (Note 24)	135,685	106,915
Term loan	7,047	6,142
	3,767,696	3,513,196
<b>Total Borrowings</b>		
Secured:		
Bankers' acceptance	3,551,792	3,299,674
Bank Overdraft	73,172	100,465
Finance lease payables (Note 24)	356,994	263,527
Term loan	285,631	281,355
	4,267,589	3,945,021

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	
	2018	2017
	%	%
Bankers' acceptance	6.16-6.61	6.6-6.9
Bank overdraft	8.65	8.85
Term loan	4.60	4.60



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 24. FINANCIAL LIABILITIES – LOANS AND BORROWINGS (Continued)

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

	Group	
	2018	2017
	£	£
Within one year	3,632,011	3,406,281
Between one to two years	7,719	6,142
Between two to three years	17,453	14,227
Between three and four years	-	-
Between four to five years	-	-
More than five years	253,412	254,844
	3,910,596	3,681,494

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 25. FINANCE LEASE PAYABLES

	Group	
	2018 £	2017 £
Minimum lease payments:		
Not later than 1 year	124,519	119,902
Later than 1 year but not later than 2 years	52,514	80,481
Later than 2 years but not later than 5 years	51,672	23,438
Later than 5 years	44,898	57,302
	273,603	281,123
Less: Future finance charges	(23,680)	(17,596)
Present value of finance lease liabilities	249,923	263,527
Present value of minimum lease payments:		
Not later than 1 year	114,074	106,915
Later than 1 year but not later than 2 years	47,209	74,852
Later than 2 years but not later than 5 years	63,994	20,553
Later than 5 years	24,646	61,207
	249,923	263,527
Analysed as:		
Due within 12 months (Note 24)	114,074	106,915
Due after 12 months (Note 24)	135,849	156,612
	249,923	263,527

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 2018

### 26. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade payables				
- Third parties	1,272,014	481,804	-	-
Other payables				
- Deposits	173,896	619,503	-	-
- Accruals	2,496,923	721,026	3,360	-
- Sundry payables	3,272,707	3,368,838	25,553	25,888
Amount due to subsidiary companies	-	-	931,327	774,240
	7,215,540	4,709,361	960,240	800,128
Total trade and other payables	7,215,540	5,191,171	960,240	800,128
Add: Amount due to Directors (Note 26)	1,877,004	1,638,604	120,000	99,600
Add: Loans and borrowings (Note 23)	4,267,589	3,945,021	-	-
Total financial liabilities carried at amortised costs	13,360,133	10,774,796	1,080,240	899,728

(a) The Group's normal trade credit terms range from 30 to 90 days (2017: 30 to 90 days). Other credit terms are assessed and approved on a case to case basis.

(b) Including in sundry payables of the Group is an amount of £1,691,872 (2017: £1,038,816) payable to the subsidiary company's partner distributors in Bangladesh.

### 27. AMOUNT DUE TO DIRECTORS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Non-Current				
Dr Md Zahir Uddin*	976,333	1,384,537	-	-
Dr Md Shahin Hossain*	773,966	148,047	-	-
Keiko Tarida*	4,020	3,833	-	-
	1,754,319	1,536,417	-	-
Current				
Dato' Hussian @ Rizal bin A. Rahman	74,685	38,587	72,000	36,000
Derrick Chia Kah Wai	48,000	24,000	48,000	24,000
Seah Boon Chin	-	39,600	-	39,600
	122,685	102,187	120,000	99,600
Total amount due to directors	1,877,004	1,638,604	120,000	99,600

\* 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 2018

### 28. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	Group	
	2018 £	2017 £
<b>Cash flow from operating activities</b>		
Loss before tax	(1,637,015)	(613,238)
Adjustments for:		
Depreciation of property, plant and equipment	649,905	179,027
Amortisation of intangible assets	68,852	23
Amortisation of development costs	-	-
Impairment loss on goodwill	-	643,729
Interest expenses	276,426	228,872
Inventories written off	-	5,650
Interest income	(66,554)	(62,631)
Operating profit before working capital changes	(708,386)	381,432
Decrease/(increase) in inventories	240,272	(257,526)
Increase in receivables	(593,591)	(458,111)
(Decrease)/increase in amount due to Directors & Shareholder	238,400	(104,997)
Increase in payables	2,024,369	1,508,343
Cash generated from operations	1,201,064	1,069,141

	Company	
	2018 £	2017 £
<b>Cash flow from operating activities</b>		
Loss before tax	(177,497)	(131,034)
(Increase)/in trade and other receivable	(2,871)	(9,031)
Increase/(Decrease) in payables	3,007	253,217
Increase/(Decrease) in amount due to Directors	20,400	(110,935)
Decrease in amount due from subsidiary company	157,105	-
Cash depleted in operations	144	2,217

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 29. RELATED PARTY TRANSACTIONS

At the Statement of Financial Position date, the Group owed the Directors £1,877,004 (2017: £1,638,604), the Company owed the Directors £120,000 (2017: £99,600), MobilityOne Sdn. Bhd. owed the Company £148,565 (2017: £303,177), Netoss Sdn. Bhd. owed MobilityOne Sdn. Bhd. £408,225 (2017: £436,721), MobilityOne Ventures Sdn. Bhd. owed MobilityOne Sdn. Bhd. £NIL (2017: £6,895) and MobilityOne Sdn. Bhd. owed One Trazact Sdn. Bhd. £997,002 (2017: £1,001,978), and Netoss Sdn. Bhd. owed LMS Technology Distribution Sdn. Bhd., a company related to a Director (Dato' Hussian @ Rizal bin A Rahman), £15,521 (2017: £14,955). The amounts owing to or from the subsidiary companies and related parties are repayable on demand and are interest free.

In 2018, MobilityOne Sdn Bhd continued 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 RM2,500 (c. £460) a month.

On 27 December 2018, MBP Solutions Sdn Bhd (a subsidiary of TFP Solutions Berhad has been appointed as MobilityOne Sdn Bhd's agency/reseller. Dato' Hussian @ Rizal bin A. Rahman is a director and shareholder of TFP Solutions Berhad.

### 30. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, as at 31 December 2018, the ultimate controlling party in the Company is Dato's Hussain @ Rizal bin A. Rahman by virtue of his shareholding.

### 31. 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.

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Limit of guarantees</b>		
Corporate guarantee given to a licensed bank by the Company for credit facilities granted to a subsidiary company	4,284,508	3,983,808
<b>Amount utilised</b>		
Banker's guarantee in favour of third parties	174,813	189,332

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

### 32. SHARE BASED PAYMENTS

During the year ended 31 December 2018, 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.

### 33. 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 23 July 2019 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 2018 be adopted.
2. **THAT** Dato' Hussian @ Rizal bin A. Rahman is re-elected as a Director.
3. **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.
4. **THAT** the Directors be authorised to fix the remuneration of the Auditors.

### BY ORDER OF THE BOARD

**Abu Bakar bin Mohd Taib**  
Chairman

Dated: 28 June 2019

### 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.





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 23 July 2019 at 9.00 a.m. Malaysia time or any adjournment thereof.

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

ORDINARY RESOLUTIONS	FOR	AGAINST	WITHHOLD
1. <b>THAT</b> the Company's accounts and reports of the Directors and Auditors for the year ended 31 December 2018 be adopted.			
2. <b>THAT</b> Dato' Hussian @ Rizal bin A. Rahman is re-elected as a Director.			
3. <b>THAT</b> 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.			
4. <b>THAT</b> 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: ..... 2019

## If for and on behalf of a corporation:

Signed by: .....

for and on behalf of: .....

Position: .....

Dated: .....2019

## Notes:

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

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE



**COMPANY'S REGISTRARS**  
**MOBILTYONE LIMITED**  
QUEENSWAY HOUSE  
HILGROVE STREET, ST. HELIER  
JERSEY JE1 1ES  
CHANNEL ISLANDS

FIRST FOLD HERE

[www.mobilityone.com.my](http://www.mobilityone.com.my)



**MOBILITYONE**

**REGISTERED OFFICE**

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

**BUSINESS ADDRESS**

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2-3, Incubator 2  
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57000 Kuala Lumpur  
Malaysia