

27 September 2024

MobilityOne Limited
("MobilityOne", the "Company" or the "Group")

Unaudited interim results for the six months ended 30 June 2024

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider, announces its unaudited interim results for the six months ended 30 June 2024.

Highlights:

- Revenue decreased by 9.1% to £110.5 million (H1 2023: £121.5 million) due to lower sales for the Group's mobile phone prepaid airtime reload and bill payment business in Malaysia;
- Loss after tax of £1.68 million (H1 2023: profit after tax of £5,117);
- Cash and cash equivalents (including fixed deposits classified under other financial assets) at 30 June 2024 of £4.41 million (30 June 2023: £3.42 million);
- The Group remains cautious on the outlook for the remainder of 2024 due to rising inflation and increasing expenditure, including higher administrative expenses as well as higher infrastructure and marketing costs. As the Group strives to maintain as well as grow its business, the Group's gross profit margins for its products and services will continue to be affected;
- The expected completion of the proposed joint venture with Super Apps Holdings Sdn Bhd ("Super Apps") and the merger exercise of Technology & Telecommunication Acquisition Corporation ("TETE") and Super Apps, as previously announced, is expected to significantly enhance the Group's financial position and future growth;
- In October 2023, the Group announced the acquisition of 49% equity interest in Sincere Acres Sdn Bhd ("Sincere") that has a wholly-owned subsidiary Hati International Sdn Bhd ("Hati") which focuses on healthcare software development and information technology. RM2.0 million (c. £0.36 million) of the total purchase consideration of RM30.0 million (c. £5.42 million) has been paid and the balance of RM28.0 million (c. £5.06 million) to be paid by 31 December 2024. The Group and Hati hope to secure more projects in hospital information systems in the next 12 months; and
- The Group will also continue to invest and enhance its research and development capabilities to support business and technological advancements and to form partnerships for future growth.

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About the Group:

MobilityOne is one of the leading digital distributors of mobile prepaid reload and bill payment services in Malaysia. With

MobilityOne is one of the leading virtual distributors of mobile prepaid reload and bill payment services in Malaysia. With connections to various service providers across industries such as banking, telecommunications, utilities, government agencies, and transportation, the Group operates through multiple distribution channels including mobile wallets, e-commerce sites, EDC terminals, automated teller machines, kiosks, and internet & mobile banking. Holding licenses in regulated spaces including acquiring, e-money, remittance and lending, the Group offers a range of services to the market, including wallet, internet, and terminal-based payment services, white label e-money, remittance, lending, and custom fintech ecosystems for communities. The Group's flexible, scalable technology platform enables cash, debit card, and credit card transactions from multiple devices while providing robust control and monitoring of product and service distribution.

For more information, refer to our website at www.mobilityone.com.my

Chairman's statement

The Group's revenue decreased by 9.1% to £110.5 million (H1 2023: revenue of £121.5 million) in the first six months of 2024 as a result of lower sales from the Group's main products and services in Malaysia, namely the mobile phone prepaid airtime reload and bill payment business through the Group's banking channels (i.e. mobile banking and internet banking), electronic data capture ("EDC") terminals and third parties' e-wallet applications. The Malaysian market continues to account for the majority of the Group's revenue.

The Group registered a loss after tax of £1.68 million in the first six months of 2024 (H1 2023: profit after tax of £5,117) mainly due to lower sales, an increase in cost of sales, higher administrative expenses, higher finance costs and the Group's share of the loss generated by its 49%-owned associate company, Sincere Acres Sdn Bhd, which was acquired on 4 October 2023.

The Group's other businesses, such as its international remittance services and e-money business in Malaysia as well as the payment solution business in Brunei, continued to remain small. As previously announced the Group has discontinued to explore new business in the Philippines. However, if there is any new business opportunity in the future, the Group may consider exploring such opportunities.

As at 30 June 2024, the Group had cash and cash equivalents (including fixed deposits classified under other financial assets) of £4.41 million (30 June 2023: cash and cash equivalents of £3.42 million) while the secured loans and borrowings from financial institutions increased to £6.57 million (30 June 2023: £4.14 million) mainly due to payments for higher cost of sales and higher administrative expenses.

Current trading and outlook

Mobile phone prepaid airtime reload and bill payments will continue to be the main business activities for the Group in Malaysia, whereas other businesses are expected to remain insignificant in 2024. The Group has commenced the issuance of MasterCard prepaid cards in Malaysia on a small scale to complement the Group's existing e-wallet.

On 11 May 2023, the Company announced that M1 Tech Limited, the Group's wholly-owned subsidiary in the UK, had withdrawn its application to the Financial Conduct Authority, the financial regulatory body in the UK, for authorisation as an electronic money institution to provide e-money services in the UK. As announced by the Company on 20 August 2024, following an extensive review process, the Group has decided not to submit a revised application to the FCA and instead will continue to focus on its businesses in Malaysia as well as other new business opportunities.

In September 2023, MobilityOne Sdn Bhd ("**M1 Malaysia**"), the Group's wholly-owned subsidiary in Malaysia, incorporated Qube Nexus Sdn Bhd with M1 Malaysia and Syed Faisal Algadrie Bin Syed Hassan owning 80% and 20% of the equity interest respectively with the joint venture to explore any suitable business opportunities from the Kingdom of Saudi Arabia. There has not been any material development in relation to this joint venture.

As part of the Group's business plans for long-term growth, the Group has the following initiatives:

(1) Money transfer business via SWIFT network

As previously disclosed, the Group intends to expand its money transfer business via the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") network. The Group is still working with a bank in Malaysia on the integration process while waiting for the Central Bank of Malaysia's approval, the timings of which continue to remain uncertain. The Company will make any relevant announcements on the arrangement with SWIFT as and when is appropriate.

(2) **Disposal of OneShop Retail Sdn Bhd ("1Shop") and proposed joint venture with Super Apps**

On 19 October 2022, M1 Malaysia entered into a share sale agreement (the "**Share Sale Agreement**") with Super Apps for the disposal by M1 Malaysia of a 60% shareholding in the Group's wholly-owned non-core subsidiary 1Shop to Super Apps (together the "**Disposal**"). Concurrently, M1 Malaysia entered into a joint-venture cum shareholders agreement with Super Apps and 1Shop (together the "**Proposed Joint Venture**"). The intention of the Disposal and Proposed Joint Venture is to establish a new joint venture to expand the Group's e-products and services business initially in Malaysia.

The Disposal was initially subject to the completion of a merger exercise between TETE and Super Apps which includes certain approvals by the United States Securities and Exchange Commission ("**SEC**") (together the "**Merger Exercise**"). Subsequently it was announced on 1 March 2024 that M1 Malaysia had entered into a supplementary agreement with Super Apps to amend the terms and conditions of the Share Sale Agreement in preparation for the Merger Exercise (the "**Supplementary Agreement**"). Under the new terms and conditions of the Supplementary Agreement, completion of the Disposal is no longer conditional on the Merger Exercise completing. In this regard, it was instead agreed that the Disposal completes upon entry of the Supplementary Agreement. Notwithstanding completion, if the Merger Exercise does not complete, M1 Malaysia is entitled to purchase back the 60% interest in 1Shop from Super Apps for a nominal consideration of RM1.00.

It was further agreed that irrespective of the completion of the Disposal and subject to the completion of the Merger Exercise, Super Apps shall pay M1 Malaysia the following consideration:

- (a) RM40.0 million (c. £7.23 million) in cash within 14 days upon completion of the Merger Exercise; and
- (b) RM20.0 million (c. £3.61 million) in cash within 180 days upon completion of the Merger Exercise.

In addition, pursuant to the terms of the Proposed Joint Venture, M1 Malaysia undertook to provide the necessary technical and business support to 1Shop and guaranteed that 1Shop will achieve revenues of at least RM560.0 million (equivalent to c. £101.16 million) in the financial year ending 31 December 2023 or any other period as mutually agreed (the "**Revenue Target**"). As the Merger Exercise has been delayed, the period to achieve the Revenue Target shall be reassessed and agreed with Super Apps in due course. In order to achieve the Revenue Target, Super Apps undertakes to provide all the necessary working capital requirements of 1Shop. This will be supplemented through Super Apps, in conjunction with 1Shop, collaborating with other organisations. Moreover, Super Apps shall procure TETE to issue shares in TETE (the "**TETE Shares**") to a stakeholder to be mutually agreed by M1 Malaysia and Super Apps with an aggregate value of RM20.0 million (equivalent to c. £3.61 million) within 14 days upon completion of the Merger Exercise. The issue price for the TETE Shares to the stakeholder will be determined at a later date. M1 Malaysia will only be entitled to receive the TETE Shares from the stakeholder following 1Shop achieving the Revenue Target.

Tete Technologies Inc, a wholly-owned subsidiary of TETE, has since filed draft proxy statements (the "**TETE Proxy Filing**") with the SEC and the TETE Proxy Filing is subject to the approval by the SEC. The Company will release further announcements as and when appropriate.

It was announced by the Group on 18 June 2024 that the deadline to complete the Merger Exercise was extended from 20 July 2024 to 20 January 2025. There can be no guarantee that the payment for the consideration of the Disposal and the Proposed Joint Venture can be completed as they are conditional on the completion of the Merger Exercise, which is out of the Group's control. The payment for the consideration of the Disposal and the completion of the Proposed Joint Venture are expected to contribute positively to the financial position and future growth prospects of the Group.

(3) **Acquisition of Hati via Sincere**

On 29 September 2023, M1 Malaysia entered into a share sale agreement with United Flagship Development Sdn Bhd ("**Vendor**") to acquire a 49% equity interest in Sincere for a total cash consideration of RM30.0 million (c. £5.42 million) to be paid to the Vendor in two tranches (the "**Acquisition**"). On 4 October 2023, the acquisition of Hati, via Sincere, completed and the first tranche, representing RM2.0 million (c. £0.36 million), has since been paid to the Vendor. The second tranche, representing the balance of RM28.0 million (c. £5.06 million) (the "**Second Tranche**"), was originally required to be paid by M1 Malaysia by 8 March 2024 (the "**Second Tranche Payment Date**").

On 8 March 2024, the Second Tranche Payment Date was extended until 8 September 2024 and, on 9 September 2024, it was further extended until 31 December 2024. Any payment in relation to the Second Tranche made after the Second Tranche Payment Date will be subject to an interest charge of 10% per annum.

Sincere is an investment holding company with its sole business activity comprising of owning a 100% equity interest in Hati, an operating company in Malaysia. Hati is a healthcare information systems provider in Malaysia focused on healthcare software development and information technology. Through the use of cloud service platforms and software system solutions, Hati has developed a product suite comprising of hospital information systems, clinical information systems, business intelligence platforms and Internet of Things (IoT)/Artificial Intelligence (AI) enabled platforms.

The Acquisition has a number of synergistic benefits for both the Group and Hati. The Acquisition not only will enable

the Group to diversify its existing business activities into the growing healthcare information systems industry, it is anticipated to enable the Group to vertically integrate its existing electronic payment systems and services with Hati's suite of existing products to support payment methods such as credit cards, debit cards and eWallets via online payments and over the counter payments. In addition, the Acquisition will result in Hati being able to utilise the Group's infrastructure and engineering know-how to automate electronic billing and invoicing.

In September 2024, M1 Malaysia was appointed as supplier to Selgate Healthcare Sdn Bhd ("**Selgate**") to supply, deliver, install, test and commission a hospital information system incorporating Hati's healthcare software development and information technology capabilities (together the "**Appointment**"). As part of the Appointment, Selgate has agreed to pay staged payments to M1 Malaysia over a five-year period totalling RM11,952,600 (equivalent to c. £2.16 million). With this positive development, the Group and Hati hope to secure more projects in hospital information systems in the next 12 months.

(4) Acquisition of Jejak Semangat Sdn. Bhd. ("**Jejak**")

On 7 March 2024, the Group announced that M1 Malaysia had entered into a share sale agreement with MBP Solutions Sdn. Bhd., LMS Technology Distributions Sdn. Bhd., Dato' Hussian A Rahman and Derrick Chia Kah Wai to acquire 100% of the issued share capital of Jejak for a nominal cash consideration of RM4.00 (c. £0.70). The acquisition completed on 2 July 2024.

Jejak holds a license issued by the Malaysian Ministry of Communications and Multimedia to provide network services in Malaysia for a period until 23 April 2031. The license will complement M1 Malaysia's current business of providing mobile prepaid reload services.

The Group anticipates a challenging business environment and remains cautious about the outlook for the remainder of 2024. This caution is due to rising inflation and increased expenses, including higher administrative, infrastructure, and marketing costs, among other related expenses. Consequently, the Group's gross profit margins for its products and services are expected to continue to be affected as it strives to maintain or grow its business.

The expected completion of the Proposed Joint Venture with Super Apps and the Merger Exercise, as disclosed above, will significantly enhance the Group's financial position and future growth. Additionally, the implementation of Hati's potential projects in the foreseeable future is expected to benefit the Group through the share of any profit from this associated company. The Group will continue to invest in and enhance its research and development to support business and technological advancements and to form partnerships for future growth.

Abu Bakar bin Mohd Taib (Chairman)
27 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Six months Ended 30 June 2024 Unaudited £	Six months Ended 30 June 2023 Unaudited £	Financial year Ended 31 Dec 2023 Audited £
CONTINUING OPERATIONS			
Revenue	110,488,003	121,529,982	241,673,952
Cost of sales	<u>(105,464,057)</u>	<u>(115,358,166)</u>	<u>(229,742,340)</u>
GROSS PROFIT	5,023,946	6,171,816	11,931,612
Other operating income	10,625	24,686	136,872
Administration expenses	(6,247,169)	(5,914,978)	(12,547,017)
Other operating expenses	(162,877)	(174,821)	(220,895)
Net loss on financial instruments	<u>-</u>	<u>-</u>	<u>(351,387)</u>

OPERATING (LOSS)/PROFIT	(1,375,475)	106,703	(1,050,815)
Finance income	14,191	15,479	41,033
Finance costs	(157,203)	(116,268)	(236,058)
Share of post-tax loss of equity accounted associates	(157,630)	-	(123,774)
(LOSS)/PROFIT BEFORE TAX	(1,676,117)	5,914	(1,369,614)
Tax	(416)	(797)	(38,518)
(LOSS)/PROFIT FROM CONTINUING OPERATIONS	(1,676,533)	5,117	(1,408,132)
Attributable to:			
Owners of the parent	(1,672,674)	1,056	(1,408,482)
Non-controlling interest	(3,859)	4,061	350
	(1,676,533)	5,117	(1,408,132)
(LOSS) / PROFIT PER SHARE			
Basic (loss) / earnings per share (pence)	(1.574)	0.001	(1.325)
Diluted (loss) / earnings per share (pence)	(1.574)	0.001	(1.325)
(LOSS)/PROFIT FOR THE PERIOD/YEAR	(1,676,533)	5,117	(1,408,132)
OTHER COMPREHENSIVE LOSS			
Foreign currency translation	(41,786)	(624,236)	(542,104)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR	(1,718,319)	(619,119)	(1,950,236)
Total comprehensive (loss)/profit attributable to:			
Owners of the parent	(1,714,710)	(624,438)	(1,952,013)
Non-controlling interest	(3,609)	5,319	1,777
	(1,718,319)	(619,119)	(1,950,236)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	At 30 June 2024 Unaudited £	At 30 June 2023 Unaudited £	At 31 Dec 2023 Audited £
Assets			
Non-current assets			
Intangible assets	543,664	473,001	567,823
Property, plant and equipment	435,320	648,525	544,033
Investment property	242,208	251,568	250,102
Right-of-use assets	177,821	144,414	154,755
Trade and other receivables	889,800	905,758	258,428
Investment in associate	4,754,604	-	5,010,284
Other investment	10,899	11,045	11,116
	7,054,316	2,434,311	6,796,541
Current assets			
Inventories	1,495,795	2,280,346	1,912,675
Trade and other receivables	2,572,590	3,277,551	2,688,902
Other financial assets	474,032	483,040	600,694
Tax recoverable	160,267	254,391	163,452
Cash and cash equivalents	3,938,017	2,934,515	3,536,135
	8,640,701	9,229,843	8,901,858
Total Assets	15,695,017	11,664,154	15,698,399
Shareholders' equity			
Equity attributable to equity holders of the Company			
Called up share capital	2,657,470	2,657,470	2,657,470
Share premium	909,472	909,472	909,472
Reverse acquisition reserve	708,951	708,951	708,951
Foreign currency translation reserve	462,115	422,188	504,151
Accumulated losses	(3,174,922)	(92,710)	(1,502,248)
Shareholders' equity	1,563,086	4,605,371	3,277,796
Non-controlling interest	(16,943)	(9,792)	(13,334)
Total Equity	1,546,143	4,595,579	3,264,462

Liabilities			
Non-current liabilities			
Loans and borrowings - secured	181,926	195,166	189,428
Lease liabilities	126,381	15,007	101,465
Deferred tax liabilities	45,169	13,926	46,066
	<u>353,476</u>	<u>224,099</u>	<u>336,959</u>
Current liabilities			
Trade and other payables	2,587,235	2,775,077	3,169,711
Deferred consideration due	4,695,151	-	4,788,453
Amount due to directors	58,300	2,403	35,300
Loans and borrowings - secured	6,390,338	3,943,085	4,036,396
Lease liabilities	62,662	123,063	65,372
Tax payables	1,712	848	1,746
	<u>13,795,398</u>	<u>6,844,476</u>	<u>12,096,978</u>
Total Liabilities	<u>14,148,874</u>	<u>7,068,575</u>	<u>12,433,937</u>
Total Equity and Liabilities	<u>15,695,017</u>	<u>11,664,154</u>	<u>15,698,399</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

	Non-Distributable			Distributable		Cor
	Share Capital	Share Premium	Reverse Acquisition Reserve	Foreign Currency Translation Reserve	Accumulated Profit/(Losses)	
	£	£	£	£	£	£
As at 1 January 2023	2,657,470	909,472	708,951	1,047,682	(93,766)	5,229,809
Foreign currency translation	-	-	-	(625,494)	-	(625,494)
Profit for the period	-	-	-	-	1,056	1,056
As at 30 June 2023	<u>2,657,470</u>	<u>909,472</u>	<u>708,951</u>	<u>422,188</u>	<u>(92,710)</u>	<u>4,605,371</u>
As at 1 July 2023	2,657,470	909,472	708,951	422,188	(92,710)	4,605,371
Foreign currency translation	-	-	-	81,963	-	81,963
Profit/(Loss) for the period	-	-	-	-	(1,409,538)	(1,409,538)
As at 31 Dec 2023	<u>2,657,470</u>	<u>909,472</u>	<u>708,951</u>	<u>504,151</u>	<u>(1,502,248)</u>	<u>3,277,796</u>
As at 1 January 2024	2,657,470	909,472	708,951	504,151	(1,502,248)	3,277,796
Foreign currency translation	-	-	-	(42,036)	-	(42,036)
Profit for the period	-	-	-	-	(1,672,674)	(1,672,674)
As at 30 June 2024	<u>2,657,470</u>	<u>909,472</u>	<u>708,951</u>	<u>462,115</u>	<u>(3,174,922)</u>	<u>1,563,086</u>

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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

	Six months Ended 30 June 2024 Unaudited £	Six months Ended 30 June 2023 Unaudited £	Financial year ended 31 Dec 2023 Audited £
Cash flows (used in)/from operating activities			
Cash (used in)/from operations	(1,918,818)	(816,961)	213,934
Interest received	13,915	14,580	39,435
Tax paid	(417)	(99,165)	(168,251)
Tax refund	-	-	157,324
Net cash (used in)/from operating activities	<u>(1,905,320)</u>	<u>(901,546)</u>	<u>242,442</u>
Cash flows used in investing activities			
Purchase of property, plant and equipment	(6,373)	(9,876)	(47,092)
Purchase of intangible assets	26,191	(280,379)	(373,965)
Addition in right-of-use assets	(68,842)	(23,641)	-
Addition to investments in associate	-	-	(342,032)
Proceeds from disposal of property, plant & equipment	-	163	2,018
Net cash used in investing activities	<u>(49,024)</u>	<u>(313,733)</u>	<u>(761,071)</u>
Cash flows from financing activities			
Interest paid	(156,660)	(116,414)	(236,058)
Net change of banker acceptance	2,432,591	662,713	389,297
Net change in other financial assets pledged	126,662	(483,040)	51,512
Addition / (Repayment) of lease liabilities	25,456	(45,186)	(96,503)
Repayment of term loan	(3,811)	(4,218)	(11,617)
Net cash from financing activities	<u>2,424,238</u>	<u>13,855</u>	<u>96,631</u>
Increase/(Decrease) in cash and cash equivalents	469,894	(1,201,424)	(421,998)
Effect of foreign exchange rate changes	(68,012)	(879,233)	(404,833)
Cash and cash equivalents at beginning of period/year	3,536,135	5,015,172	4,362,966
Cash and cash equivalents at end of period/year	<u>3,938,017</u>	<u>2,934,515</u>	<u>3,536,135</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2024 were authorised for issue by the Board of Directors on 27 September 2024.

The interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and with those parts of the Companies (Jersey) Law 1991 applicable to companies preparing their financial statements under IFRS. It has been prepared in accordance with IAS 34 "Interim Financial Reporting" and does not include all of the information required for full annual financial statements. The financial statements have been prepared under the historical cost convention.

Full details of the accounting policies adopted, which are consistent with those disclosed in the Company's 2023 Annual Report, will be included in the audited financial statements for the year ending 31 December 2024.

2. Basis of consolidation

The consolidated statement of comprehensive income and statement of financial position include financial statements of the Company and its subsidiaries made up to 30 June 2024.

3. Nature of financial information

The unaudited interim financial information for the six months ended 30 June 2024 does not constitute statutory accounts under the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2023 are extracted from the audited statutory financial statements. Full audited financial statements of the Group in respect of that financial year prepared in accordance with IFRS, which we received an unqualified audit opinion, have been delivered to the Registrar of Companies.

4. Functional and presentation currency

(i) Functional and presentation currency

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

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

(ii) Transactions and balances

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

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

	Exchange rate (RM: £)	
	At Statement of Financial Position date	Average for year/ Period
Period ended 30 June 2024	5.96	5.98
Period ended 30 June 2023	5.88	5.50
Year ended 31 December 2023	5.85	5.68

5. Segmental analysis

The Group has two operating segments as follows:

(a) Telecommunication services and electronic commerce solutions; and

(b) Hardware and services, including selling of hardware, remittance services and money lending income.

No segmental analysis of 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 was generated in Malaysia.

	Telecommunication services and electronic commerce solutions	Hardware and services	Elimination	Total
Group 6 months ended 30 June 2024	£	£	£	£
Segment revenue:				
Sales to external customers	109,732,428	755,575		110,488,003
Inter-segment		161,094	(161,094)	-
	109,732,428	916,669	(161,094)	110,488,003
Loss before tax		-	-	(1,676,117)
Tax		-	-	(416)
Loss for the period		-	-	(1,676,533)
Group 6 months ended 30 June 2023				
Segment revenue:				
Sales to external customers	121,242,999	286,983		121,529,982
Inter-segment		84,867	(84,867)	-
	121,242,999	371,850	(84,867)	121,529,982
Profit before tax		-	-	5,914
Tax		-	-	(797)
Profit for the period		-	-	5,117

Group
Financial year ended
31 Dec 2023

Segment revenue:				
Sales to external customers	239,532,015	2,141,937		241,673,952
Inter-segment		167,282	(167,282)	-
	239,532,015	2,309,219	(167,282)	241,673,952
Loss before tax		-	-	(1,369,614)
Tax		-	-	(38,518)
Loss for the year		-	-	(1,408,132)

*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.

6. Taxation

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

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

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

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

7. Earnings / (loss) per share

The basic earnings / (loss) per share is calculated by dividing the loss in the six month period ended 30 June 2024 of £1,672,674 (30 June 2023: profit of £1,056 and year ended 31 December 2023: loss of £1,408,482) attributable to owners of the parent by the number of ordinary shares outstanding at 30 June 2024 of 106,298,780 (30 June 2023: 106,298,780 and 31 December 2023: 106,298,780).

The diluted earnings per share for the six month period ended 30 June 2024 is calculated using the number of shares adjusted to assume the exercise of all dilutive potential ordinary shares of 112,623,648. On 5 December 2014, the Company granted share options of 10,600,000 shares at 2.5p to directors and certain employees of the Group, which are expiring on 4 December 2024. Share options of 2,000,000 shares have lapsed due to resignation of employees and no options have been exercised.

8. Reconciliation of profit before tax to cash generated from operations

	Six months ended 30 June 2024 Unaudited £	Six months Ended 30 June 2023 Unaudited £	Financial year ended 31 Dec 2023 Audited £
Cash flow (used in)/from operating activities			
(Loss)/Profit before tax	(1,676,117)	5,914	(1,369,614)
Adjustments for:			
Amortisation of intangible assets	13,060	-	-
Amortisation of right-of-use assets	42,645	47,471	96,319
Bad debt written off	-	-	12,131
Depreciation of property, plant and equipment	104,160	124,078	248,320
Depreciation of investment property	3,012	3,272	6,344
Gain on disposal of property, plant & equipment	-	(156)	(1,437)
Gain on disposal of right-of-use assets	-	-	(3,234)
Impairment loss on trade receivables	-	-	377,411
Interest expenses	156,660	116,414	236,058
Inventories written off	-	-	808
Interest income	(13,915)	(14,580)	(39,435)

Property, plant and equipment written off	45	-	20,354
Reversal on impairment loss on trade receivable	-	-	(62,402)
Share of post-tax loss of equity accounted associates	157,630	-	123,774
Unrealised loss/(gain) on forex	-	2,707	(10,707)
Operating (loss)/profit before working capital changes	(1,212,820)	285,120	(365,310)
(Increase)/Decrease in inventories	379,613	909,555	1,276,418
(Increase)/Decrease in receivables	(588,199)	(1,775,475)	(888,275)
Increase/(Decrease) in amount due to directors & shareholder	23,000	-	(31,555)
(Decrease)/Increase in payables	(520,412)	(236,161)	222,656
Cash (used in)/from operations	(1,918,818)	(816,961)	213,934

9. Contingent liabilities

In the period under review, corporate guarantees of RM29.1 million (£4.88 million) (H1 2023: RM27.0 million (£4.59 million)) were given to a licensed bank by the Company for credit facilities granted to a subsidiary company.

10. Significant accounting policies

The interim consolidated financial statements have been prepared applying the same accounting policies that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2023 except for the adoption of new and amended reporting standards, which are effective for periods commencing on or after 1 January 2024. Various amendments to standards and interpretations of standards are effective for periods commencing on or after 1 January 2024 as detailed in the 2023 Annual Report, none of which have any impact on reported results.

Amortisation of intangible assets

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

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

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

Impairment of goodwill on consolidation

The Group's cash flow projections include estimates of sales. However, if the projected sales do not materialise there is a risk that the value of goodwill would be impaired.

The Directors have carried out a detailed impairment review in respect of goodwill. The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering 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 no indication of impairment of the value of goodwill or of development costs.

Research and development costs

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

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised through other operating expenses in the income statement using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each Statement of Financial Position date.

11. Dividends

The Company has not proposed or declared an interim dividend.

12. Interim report

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

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