BM MOBILITY LTD.

(Company Registration No. 200800853Z)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE SGX-LISTING MANUAL- DISCLAIMER OF OPINION BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors of BM Mobility Ltd. (the "**Company**") wishes to announce that the independent auditors of the Company, Messrs Moore Stephens LLP (the "**Independent Auditors**"), have issued a disclaimer of opinion in their Independent Auditor's Report ("**IAR**") on the financial statements of the Company and its subsidiaries (the "**Group**") for the financial period ended 31 March 2019 ("**PY2019**").

Relevant extracts of the following are annexed to this announcement as "Appendix 1":

(i) The disclaimer of opinion and basis for disclaimer of opinion in the IAR;
(ii) Note 3(b) of the audited financial statements for PY2019 titled "Significant Accounting Policies - Going Concern Assumption".

On Opening Balances of Disposal Group:

The Disposal Group had ceased operations since January 2018. Furthermore, there is no reciprocal arrangement to share the previous year's audit working papers of the Disposal Group between the Independent Auditors and RT LLP (the "Previous Auditors") due to the Previous Auditors' firm policy.

On Going Concern Assumption:

The Board of Directors believes that the use of the going concern assumption in the preparation of the financial statements for PY2019 is still appropriate after taking into consideration the assumptions and various efforts by the Group as set out in Note 3(b) of the audited financial statements for PY2019.

The Annual Report of the Company containing, inter alia, the IAR and audited financial statements for PY2019 will be released via a separate announcement on SGXNET and will be despatched to the shareholders of the Company in due course.

BY ORDER OF THE BOARD
BM MOBILITY LTD.

Tay Wee Kwang
Executive Director and Chief Executive Officer
26 July 2019

APPENDIX 1

EXTRACT OF THE DISCLAIMER OF OPINION FROM THE INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Disclaimer of Opinion

1. We were engaged to audit the financial statements of BM Mobility Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies.

2. We do not express an opinion on the financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *"Basis for Disclaimer of Opinion"* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Opening Balances

3. During the audit, we have not been provided with access to the accounting and other records of the entities that comprised the Disposal Group disclosed in Note 9. Accordingly, we were unable to perform the necessary audit procedures, nor were we able to perform alternative audit procedures, on the opening balances as reflected in the consolidated statements of financial position of the Group as at 31 December 2017 and 1 January 2017 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year ended 31 December 2017.

4. Since the opening balances as at 1 January 2018 are entered into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019 and the financial position of the Group as at 31 March 2019, we were unable to determine whether any adjustments might have been necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2018 to 31 March 2019 and the consolidated financial position of the Group as at 31 March 2019.

Discontinued Operations of Disposal Group

5. In view of the matters discussed in paragraph 3 above, we were unable to obtain sufficient appropriate audit evidence in relation to the loss on discontinued operations of the Disposal Group included in the consolidated statement of comprehensive income of the Group for the financial period from 1 January 2018 to 31 March 2019 amounting to RMB1,334,000 (Note 9) and the assets and liabilities related to the Disposal Group included in the consolidated statement of financial position as at 31 March 2019 amounting to RMB19,286,000 and RMB32,263,000, respectively (Note 10). Consequently, we were unable to determine whether any adjustments might be necessary to these amounts shown in the financial statements for the financial period from 1 January 2018 to 31 March 2019 and as at 31 March 2019.

Impairment of Goodwill and Intangible Assets

6. As disclosed in Notes 14 and 15 to the financial statements, the Group has goodwill and intangible assets amounting to RMB3,375,000 and RMB8,450,000, respectively, as at 31 March 2019. Management has determined that no impairment is required on the Group's goodwill and intangible assets as their recoverable amounts exceeded the carrying amounts as at 31 March 2019.

7. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the reasonableness of the key assumptions and inputs used in the determination of the recoverable amounts of the Group's goodwill and intangible assets. Consequently, we were unable to determine whether any adjustments might be necessary in respect of the carrying amounts of the Group's goodwill and intangibles assets as at 31 March 2019.

Appropriateness of Going Concern Assumption

8. As disclosed in Note 3(b) to the financial statements, for the financial period from 1 January 2018 to 31 March 2019, the Group has incurred a total net loss of RMB13,367,000 and a total comprehensive loss of RMB13,375,000 and has net cash used in operating activities amounting to RMB13,133,000. As at 31 March 2019, the Group's and the Company's current liabilities exceeded its current assets by RMB16,957,000 and RMB5,012,000, respectively, and the Group and the Company have deficit in shareholders' funds amounting to RMB4,449,000 and RMB3,338,000, respectively.

9. These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Management has prepared the financial statements on a going concern basis on the assumption that the Group and the Company will continue as going concerns. The ability of the Group and the Company to continue as going concerns is dependent on certain assumptions and various efforts by the Group as disclosed in Note 3(b) to the financial statements, the outcome of which is inherently uncertain.

10. In view of the material uncertainties as disclosed in paragraph 8 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements.

11. In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

Other Matter

12. The financial statements for the financial year ended 31 December 2017 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated 4 April 2018.

Responsibilities of Management and Directors for the Financial Statements

13. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

14. In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

15. The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

16. Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing (SSAs) and to issue an auditor's report. However, because of the matters described in the *"Basis for Disclaimer of Opinion"* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

17. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

18. In our opinion, except for the matters referred to in the *"Basis for Disclaimer of Opinion"* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

19. The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Chiou Gee Willy.

EXTRACT OF NOTE 3(b) TO THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

3 Significant Accounting Policies

(b) Going Concern Assumption

For the financial period from 1 January 2018 to 31 March 2019, the Group has incurred a total net loss of RMB13,367,000 (31/12/17: RMB107,736,000) and a total comprehensive loss of RMB13,375,000 (31/12/17: RMB107,736,000) and has net cash used in operating activities amounting to RMB13,133,000 (31/12/17: RMB3,665,000). As at 31 March 2019, the Group's and the Company's current liabilities exceeded its current assets by RMB16,957,000 (31/12/17: RMB17,898,000) and RMB5,012,000 (31/12/17: RMB5,018,000), respectively, and the Group and the Company have deficit in shareholders' funds amounting to RMB4,449,000 (31/12/17: RMB11,814,000) and RMB3,338,000 (31/12/17: surplus of RMB825,000), respectively.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to realise their assets and discharge their liabilities in the ordinary course of business. Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period from 1 January 2018 to 31 March 2019 is appropriate after taking into consideration the following factors:

(i) Management will tighten their cost controls over the Group's operating expenses and seek to improve the cash flows of the Group. Management has also prepared a cash flow projection that shows the Group will have sufficient working capital for its operations for the next twelve months from 31 March 2019, which include financial support if required from the executive directors of the Company who are also the substantial shareholders of the Company, and will be able to meet its obligations as and when they fall due.

(ii) Management will evaluate various strategies to improve the financial performance of the Group's current Green Energy Business. Management also believes that with the disposal of the Disposal Group subsequent to the financial period end, which will result in an estimated gain on disposal of approximately RMB58.77 million (Note 31), the financial position of the Group will improve.

(iii) The Group has been successful in raising capital and obtaining additional funds for working capital in the past. As such, management will continue to evaluate various strategies to obtain alternative sources of finance where necessary to enable the Group to meet its obligations as and when they fall due.

In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the consolidated statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

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