BM MOBILITY LTD.

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

VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL PERIOD ENDED 31 MARCH 2019

The Board of Directors (the "**Board**") of the Company together with its subsidiaries, (the "Group") refers to the unaudited full year financial results announced for the financial period ended 31 March 2019 ("PY2019") released via the SGXNet on 31 May 2019.

The Board wishes to announce variances between the audited financial statements and the unaudited full year financial results of the Group for PY2019. Details and clarification of the variances are summarised below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	FY2019 Audited	FY2019 Unaudited	Variance Increase / (Decrease)	Notes
	RMB'000	RMB'000	RMB'000	
Continuing operations				
Revenue	3,720	4,125	(405)	**1**
Cost of sales	(5,624)	(2,867)	2,757	**2**
Gross (loss) / profit	(1,904)	1,258	(3,162)	
Other income	66	281	(215)	**3**
Selling and distribution expenses	(100)	(1,578)	(1,478)	**4**
Administrative expenses	(8,898)	(15,733)	(6,835)	**5**
Other operating expenses	(1,197)	(4,278)	(3,081)	**6**
Share of results of associate	-	-	-	
Loss before income tax	(12,033)	(20,050)	(8,017)	
Income tax	-	-	-	
Loss for the period/year from continuing operations	(12,033)	(20,050)	(8,017)	
Discontinued operations				
Loss for the period/year from discontinued operations	(1,334)	-	1,334	**7**
Total loss for the period/year	(13,367)	(20,050)	(6,683)	
Other comprehensive loss, net of tax:				
Items that will not be reclassified to profit or loss:				
Net fair value loss on investment security at fair value through other comprehensive income	(180)	(196)	(16)	
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation	172	2,598	(2,426)	
Total comprehensive loss for the period/year	(13,375)	(17,648)	(4,273)	
Total loss for the period/year attributable to:				
Equity holders of the Company	(10,181)	(16,901)	(6,720)	
Non-controlling interests	(3,186)	(3,149)	37	
	(13,367)	(20,050)	(6,683)	
Total comprehensive loss for the period/year attributable to:				
Equity holders of the Company	(10,064)	(14,413)	(4,349)	
Non-controlling interests	(3,311)	(3,235)	76	
	(13,375)	(17,648)	(4,273)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
	GROUP			
	FY2019	FY2019	Variance	
	Audited	Unaudited	Increase / (Decrease)	Notes
	RMB'000	RMB'000	RMB'000	
ASSETS				
Non-current assets				
Property, plant and equipment	1,874	2,148	(274)	**8**
Intangible assets	8,450	7,886	564	**9**
Goodwill	3,375	3,384	(9)	
Deferred tax assets	-	670	(670)	**10**
Total non-current assets	13,699	14,088	(389)	
Current assets				
Inventories	284	595	(311)	**11**
Trade and other receivables	1,380	1,316	64	
Prepayments	55	-	55	
Cash and bank balances	2,001	2,001	-	
Assets directly related to disposal group classified as held for sale	19,286	64,973	(45,687)	**12**
Total current assets	23,006	68,885	(45,879)	
Total assets	36,705	82,973	(46,268)	
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	199,608	199,608	-	
Warrants	12,805	12,805	-	
Reserves	42,911	45,282	(2,371)	**13**
Accumulated losses	(260,350)	(267,070)	(6,720)	
	(5,026)	(9,375)	(4,349)	
Non-controlling interests	577	1,262	(685)	
Total equity	(4,449)	(8,113)	(3,664)	
Non-current liabilities				
Other payables	1,191	1,322	(131)	**14**
Total non-current liabilities	1,191	1,322	(131)	
Current liabilities				
Trade and other payables	7,700	8,419	(719)	**15**
Current income tax payable	-	-		
Liabilities directly related to disposal group classified as held for sale	32,263	81,345	(49,082)	**12**
Total current liabilities	39,963	89,764	(49,801)	
Total liabilities	41,154	91,086	(49,932)	
Total equity and liabilities	36,705	82,973	(46,268)	

STATEMENT OF FINANCIAL POSITION				
		COMPANY		
	FY2019	FY2019	Variance	
	Audited	Unaudited	Increase / (Decrease)	Notes
	RMB'000	RMB'000	RMB'000	
ASSETS				
Non-current assets				
Investment in subsidiaries	2,865	8,765	(5,900)	**16**
Investment in associate	-	-	-	
Total non-current assets	2,865	8,765	(5,900)	
Current assets				
Other receivables	-	10,957	(10,957)	**17**
Prepayments	-	-	-	
Cash and bank balances	886	886	-	
Assets directly related to disposal group classified as held for sale	-	-	-	
Total current assets	886	11,843	(10,957)	
Total assets	3,751	20,608	(16,857)	
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	199,608	199,608	-	
Warrant	12,805	12,805	-	
Reserves	309	1,896	(1,587)	
Accumulated losses	(216,060)	(200,388)	15,672	
Total equity	(3,338)	13,921	(17,259)	
Non-current liabilities				
Other payables	1,191	668	523	
Total non-current liabilities	1,191	668	523	
Current liabilities				
Other payables	5,898	6,019	(121)	
Total current liabilities	5,898	6,019	(121)	
Total liabilities	7,089	6,687	402	
Total equity and liabilities	3,751	20,608	(16,857)	

Notes:

1. The decrease in revenue by RMB 405,000 was due to the adjustment for the recognition of revenue relating to technology licensing which is accounted for as deferred revenue for the current reporting period.

2. The increase in cost of sales by RMB 2.7 million was mainly due to the reclassification in the amortisation of intangible assets of RMB 2.2 million and depreciation of fixed assets of RMB 0.1 million to cost of sales from other operating expenses.

3. The decrease of other income by RMB 215,000 was due to the elimination of inter-company transactions on consolidation.

4. The decrease in selling and distribution expenses by RMB 1.5 million was due to the reclassification of staff costs of RMB 0.8 million to administrative expenses and adjustment of RMB 0.7 million for erroneous transactions incurred within the Disposal Group to assets and liabilities directly related to disposal group held for sale.

5. The net decrease in administrative expenses by RMB 6.8 million was mainly due to the following:
   a. Reclassification of staff costs of RMB 0.8 million from selling and distribution expenses (Refer to Note 4).
   b. Reclassification of RMB 1.3 million for the costs incurred for the Disposal Group to discontinued operations.
   c. Adjustment of RMB 5.6 million for erroneous transactions incurred within the Disposal Group to assets and liabilities directly related to disposal group held for sale.
   d. Reversal of excess accrual for expenses relating to legal and professional fees of RMB 0.7 million.

6. The decrease in other operating expenses of RMB 3.0 million was mainly due to the reclassification in amortisation of intangible assets of RMB 2.2 million and depreciation of fixed assets of RMB 0.1 million to cost of sales (Refer to Note 2).

7. The loss from discontinued operations of RMB 1.3 million arose from the costs incurred for the Disposal Group reclassified from administrative expenses (Refer to Note 5b).

8. The decrease in property, plant and equipment by RMB 274,000 was due to the adjustment for depreciation charge recognised for the current reporting period.

9. The increase in intangible assets by RMB 564,000 was due to adjustment for the amortisation of intangible assets recognised for the current reporting period.

10. The deferred tax asset of RMB 670,000 was derecognised as at the date of acquisition of Wanted Marketing Communications Sdn Bhd and its subsidiary as the fair value was determined as Nil based on the finalised purchase price allocation exercise performed for the said acquisition.

11. The decrease in inventories of RMB 311,000 was mainly due to the allowance for inventories obsolescence of RMB 255,000 recognised for the current reporting period.

12. The decrease in assets and liabilities related to disposal group classified as held for sale is mainly due to the following:
    a. Netting off of balances of RMB 46 million within the Disposal Group.

b. Adjustments for erroneous transactions incurred within the Disposal Group of RMB 6.3 million (see Notes 4 and 5c).
c. Adjustments for erroneous amounts of RMB 9 million wrongly accounted under the Disposal Group in relation to the Group's acquisitions occurred during the current reporting period.

13. The decrease in reserves by RMB 2.3 million was mainly due to the adjustment for the exchange differences on translation recognised for the current reporting period.

14. The net decrease in other payables (non-current liabilities) of RMB 131,000 was due to the adjustment for the recognition of deferred revenue relating to technology licensing of RMB 405,000 (see Note 1) and the reclassification of the current portion of RMB 274,000 of deferred revenue relating to technology licensing to current liabilities.

15. The net decrease in trade and other payables (current liabilities) of RMB 0.7 million was mainly due to the following:
    a. Reclassification of the current portion of RMB 0.2 million of deferred revenue relating to technology licensing from non-current liabilities (see Note 14).
    b. Reversal of excess accrual of expenses of RMB 0.7 million (see Note 5d).

16. The decrease in investment in subsidiaries by RMB 5.9 million was due to the impairment of investment in Estar Investments Pte. Ltd because of incurring losses from operations.

17. The decrease in other receivables by RMB 10.9 million was due to the impairment of amounts due from subsidiaries as the relevant subsidiaries were incurring losses from operations and/or are in negative equity as at the current reporting date.

BY ORDER OF THE BOARD
BM MOBILITY LTD.

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