BM MOBILITY LTD.

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON:
(A) RESPONSE TO SGX QUERIES

The Board of Directors (the "**Board**") of BM Mobility Ltd. (the "**Company**") wish to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 22 August 2019 (each, a "**SGX's Query**") as follows:

SGX's Query:

1. **The Company announced that it had, *inter alia,* relied on the projected growth rates of the Group's e-bike sharing services and e-vehicle charging services which were in the region of 30% to 109%, in calculating the book value of the Group's goodwill and intangible assets.**

   a. **Please explain how reliable are the Directors' estimates;**

   b. **Please explain how such a wide range of growth rates could be deemed as reasonably based;**

   c. **Please disclose what is the current capacity utilization of the bikes and the current growth rates achieved so far;**

Company's Response:

a) The estimates were made for internal use only based on data available at that time, where the Company had a single contract for electric bike (ebike) sharing with a University at that time. The growth model assumed that if the Company secured a second university, this would mean a 100% growth rate. As an example, if the Company registers sales of $50,000 from one University on average per year, securing a second University would mean the Company could forecast revenue of $100,000 assuming the university parameters were equal. Therefore, this translates to 100% growth. The 30% lower limit was used as the growth assumption rate for later years where additions of universities is expected to be slower.

b) The Revgo™ ebike programme was launch in August 2018. Taking this as time zero, the range of growth rates will be wide as illustrated above. As a further example, after having secured 3 universities in year 2, if in year 3, the Company subsequently adds just one university to its ebike programme, growth will be much lower and therefore giving a wide growth range.

c) Currently with 3 universities and 340 Revgo bikes deployed, the growth rate used is in line with management's estimate.

SGX's Query:

2. **The Company further disclosed that the growth rates were based on the "projected increase in ridership through the introduction of the Group's e-bike sharing services to more universities in Malaysia" and the "expansion of the Group's e-vehicle charging services through installation of more charging stations throughout Beijing, PRC."**

With regard to the "projected increase in ridership through the introduction of the Group's e-bike sharing services to more universities in Malaysia":

a. **Please disclose the period(s) when the Company introduced the e-bike sharing services to more universities in Malaysia; and where these universities in Malaysia are;**

b. **Please disclose how many bikes are expected to be acquired for these universities in order to achieve growth rates of 109% in 2020 and 2021;**

c. **To disclose how will the Company's cost affect the new growth projections;**

With regards to the "expansion of the Group's e-vehicle charging services through installation of more charging stations throughout Beijing, PRC":

d. **Please elaborate on how the Company intends to install more charging stations throughout Beijing, PRC;**

e. **To disclose how many charging stations, the Company has currently;**

f. **To disclose how much revenue the Company has earned from these charging stations;**

g. **With the projected growth rates of 60% (2020-2021), 75% (2021-2022) and 30% (2022-2023) for the e-vehicle charging services, please disclose what is the projected capacity utilization of the charging stations during each of these respective periods (i.e. between 2020-2021, 2021-2022 and 2022-2023);**

Company's Response:

a) The 3 universities are: University Malaya (UM) started in August 2018; International Islamic University Malaysia (IIUM) started in February 2019 and University Tenaga National (UNITEN) started in March 2019

b) As can be seen above we are starting from a very low base. For the quarter April to Jun 18 there are no sales of EV charging stations, with the bulk of the Company's revenue coming from its ebike sharing services. Given current circumstances with no new funding, it is not possible to deploy more ebikes.

c) The Company is supposed to provide funding to its subsidiaries to fund its growth. However, under the current circumstances it is unable to raise funds. Without funding, it is not possible to achieve growth.

d) The Company is supposed to provide funding to its subsidiaries to fund operations and growth. However, under the current circumstances where it is unable to raise funds, without new funding it is not possible to add new charging stations.

e) Currently, the Company owns 22 public charging stations in 6 locations.

f) To date, the 22 public charging stations have generated revenue of RMB220,000.

g) As explained above, the Company's subsidiaries require funding to grow. However, under the current circumstances the company is unable to raise funds. Without funding it's not possible to achieve growth.

SGX's Query:

3. **In addition to the projected growth rates, the Company had also relied on a discount rate of 13.73% to compute the book value of the Group's goodwill and intangible assets. Please disclose and explain what bond rate of 3.73% is the Company using to calculate its discount rate;**

Company's Response:

The Government Bond rate used was based on available public data provided by various financial institutions. A search will show that the 10year Government bond rate for Malaysia is about 3.73% and for China at about 3.3%. The Company has based the discount rate used on the higher rate.

SGX's Query:

4. **The Company was asked to disclose the funds that it would receive from the gain on disposal of RMB 58.77 million, arising from the Proposed Disposal. The Company announced that the estimated gain on disposal was calculated based on the (1) Consideration of RMB 3 million and (2) the Net liabilities and equity of the Disposal Group as at 31 March 2019 amounting to RMB 55.77 million.**

   a. **Please provide a breakdown of the net liabilities and equity of the Disposal Group amounting to RMB 55.77 million; and**

   b. **Reconcile the figure of RMB 55.77 million with the Disposal Group's negative NAV of RMB 57million, as disclosed in the Disposal Circular.**

Company's Response:

Please find below for question 4a & b

On deconsolidation, the accounting entry will be as follows:

DR Loss on disposal	RMB 19.29 million	
CR Asset held for sale		19.29 million
DR Liabilities held for sales	32.26 million	
CR Gain on disposal		32.26 million
DR Statutory reserve	42.80million	
CR Gain on disposal		42.80 million

Adding up the gain and loss will result in net gain of RMB55.77 million, as disclosed.

BY ORDER OF THE BOARD
BM MOBILITY LTD.
Tay Wee Kwang
Executive Director and Chief Executive Officer
26 August 2019