

Ref: REG/LC/QR2020020020

6 February 2020

AYONDO LTD.
20 Collyer Quay
#01-02
Singapore 049319

Attn: The Board of Directors

Dear Sirs

AYONDO LTD. (THE "COMPANY")

NOTICE OF COMPLIANCE: REQUIREMENT TO PERFORM QUARTERLY REPORTING OF UNAUDITED FINANCIAL STATEMENTS

1. Singapore Exchange Regulation ("**SGX RegCo**" or the "**Exchange**") refers to:
 - (a) The Company's SGXNET announcement dated 14 February 2019 (Reference No: SG190214OTHR1GOU) titled "*Update pursuant to Rule 703(1) of Section B: Rules of Catalist of the Listing Manual of the SGX-ST: A. Update on ayondo Markets Limited ("AML"); & B. Heads of Terms with BUX Bonding B.V. ("BUX")*";
 - (b) The Company's SGXNET announcement dated 16 April 2019 (Reference No: SG190416OTHR78B0) in relation to the Notice of Compliance served on the Company by SGX RegCo; and
 - (c) SGX RegCo's announcement dated 9 January 2020 titled "*SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact*".

Background

2. On 9 January 2020, SGX RegCo announced the removal of the market capitalisation threshold as a basis for quarterly reporting ("**QR**") of financial results. The amended rule 705(2) (the "**Amended Rule 705(2)**") will take effect from 7 February 2020. Instead, SGX RegCo will take a risk-based approach and will require companies to do QR if (a) auditors have issued a qualified opinion, disclaimer of opinion or adverse opinion (collectively, "**modified opinions**") or (b) companies that have a material uncertainty relating to going concern as highlighted by their auditors, both based on the latest audited financial statements. In addition, SGX RegCo can also exercise our administrative powers to require QR for companies where we have regulatory concerns.

3. SGX RegCo notes that within a year of listing, the Group appointed an independent reviewer, KPMG London LLC, to look into the appropriate accounting and regulatory treatment of certain items in relation to the computation of its Common Equity Tier 1 ("CET1") ratio, as prescribed by the Financial Conduct Authority in UK.
4. The Group reported losses, net liability and negative working capital, and was unable to fulfill its CET1 requirements based on the computation methodology advised by KPMG. As a result, the Company proceeded to dispose of its key operating subsidiary. The auditors have also issued a disclaimer of audit opinion.

Exchange's Directive: Requirement to perform Quarterly Reporting

5. Your company, Ayondo Ltd, will be required to perform QR on an ongoing basis from 7 February 2020. This arises from the modified opinion issued by your statutory auditor in your latest annual report.
6. In addition, for the purposes of ensuring that the market is fair, orderly and transparent, and in view of the regulatory concerns set out above, pursuant to Catalist Rule 305(1)(b), SGX RegCo requires the Company to continue to do QR in accordance with the requirements set out in the Amended Rule 705(2) on an ongoing basis. The grace period extended under amended Rule 705(2A) is not applicable to your company. For the avoidance of doubt, the Company will report the next set of quarterly financial statements for Q1 period from Jan to Mar 2020 ("**QR Commencement Date**") by 15 May 2020.
7. The Company will need to perform QR until further notice from SGX RegCo.
8. In the announcement of your quarterly results, please include a statement on the cover page that the QR announcement is mandatory, made pursuant to the Exchange's requirements, as required under Listing Rule 705(2C).
9. Companies with modified opinions that are subject to QR will need to provide: (a) updates on efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This will not be required for any audit issue that relates to going concern.
10. Please announce the Exchange's directive to the Company and the QR Commencement Date through SGXNet immediately (before 7.30am on 7 February 2020).
11. Pursuant to Catalist Rule 304, failure to comply with the requirements in this notification shall be deemed as a contravention of the Listing Rules.

12. Please note that SGX RegCo reserves the right to take disciplinary action against the Company and / or Relevant Persons for breaches of the Listing Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully

June Sim
Senior Vice President
Head, Listing Compliance
Singapore Exchange Regulation

cc: Mr Lance Tan, UOB Kay Hian Private Limited