AYONDO LTD.
(Company Registration No.: 201728417D)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors ("**Board**") of ayondo Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's Independent Auditor, Ernst & Young LLP, has issued a disclaimer of opinion in the Independent Auditor's Report on the audited financial statements of the Company and the Group for the financial year ended 31 December 2018 ("**FY2018 Financial Statements**"). The basis for the disclaimer of opinion is contained in the Independent Auditor's Report.

A copy of the Independent Auditor's Report is attached hereto for further details, and it should be read together with the relevant extract of Note 2.4 to the FY2018 Financial Statements (as referred to in the Independent Auditor's Report) reproduced below:

The Board is of the opinion that the continuing use of the going concern assumption in the preparation of the FY2018 Financial Statements is appropriate as they are of the view that, barring any unforeseen circumstances, the Group will be able to successfully dispose its 99.91% owned indirect UK subsidiary, ayondo Markets Limited given that it has already secured irrevocable undertakings from shareholders who hold an aggregate of approximately 55.49% of the total number of issued shares of the Company to vote in favour of the proposed disposal. In addition, the Group's restructuring and fund-raising plans are underway. For details, please refer to Note 2.4 to the FY2018 Financial Statements.

The trading of the Company's shares has remained suspended since 1 February 2019. The Board confirms that all material disclosures have been provided by the Company via the announcements on the SGXNET.

By Order of the Board

Thomas Winkler
Non-Executive Chairman
25 May 2019

About ayondo Ltd.

SGX-listed global Financial Technology Group, with subsidiaries authorised and regulated in the UK (FCA) and Germany (BaFin), is considered as one of the FinTech pioneers in Europe which has capitalised on the opportunity arising from emerging digital technologies and changing trends in the financial industry. While having their core retail customer markets in Europe, the Group focusses on pursuing their Asian B2B strategy. With currently more than 25 B2B partners, ranging from white label partners to introducing brokers, ayondo provides self-directed trading as well as Social Trading services. In recent years, ayondo has won several accolades including Europe's leading Financial Technology providers ("FinTech 50"). Other honours include the International Financial Award Best Social Trading Platform and Broker of the Year.

ayondo Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 March 2018. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Gregory Wee Toon Lee, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

ayondo Ltd. and its Subsidiaries

Independent Auditor's Report
For the year ended 31 December 2018

Independent Auditor's Report to the members of ayondo Ltd

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of ayondo Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and the statement of changes in equity of the Company. Because of the significance of the matter 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

1) Going concern assumption

The Group's current liabilities and total liabilities exceeded its current assets and total assets by CHF8,258,000 and CHF8,279,000 respectively as at 31 December 2018. As at that date the Group's client funds liabilities amounted to CHF34,529,000 (Note 16) and the Group's segregated client fund asset, cash and bank balances and amount due from brokers amounted to CHF32,255,000 (Note 12 and 14). For the financial year ended 31 December 2018, the Group incurred a net loss of CHF50,239,000 and had an operating cash outflow of CHF5,953,000. Additionally, the Company's current liabilities and total liabilities exceeded its current assets and total assets by CHF2,892,000 and CHF 2,892,000 respectively as at 31 December 2018.

As disclosed in Note 2.4 to the financial statements, the directors have prepared these financial statements on a going concern basis as they are of the view that the Group will be able to successfully dispose its 99.91% owned indirect UK subsidiary and complete its restructuring exercise and fund-raising plans. However, we are unable to obtain sufficient appropriate evidence to conclude whether the use of the going concern assumption to prepare these financial statements is appropriate as the outcome of the disposal of the indirect UK subsidiary, restructuring exercise and fund-raising plans is subject to fulfilling certain conditions precedent and approvals, and is inherently uncertain.

If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its 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 currently recorded in the balance sheet. In addition, the Group and Company may have to reclassify its non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

Basis for Disclaimer of Opinion (cont'd)

2) Information technology ("IT") platform costs

As disclosed in Notes 8 and 15 to the financial statements, the Group engaged an external IT consultancy company to provide both research and development services. CHF832,000 incurred by the external IT consultancy company has been capitalised as IT development cost while the remaining CHF448,000 has been recorded as research expense in the income statement. We are unable to ascertain the appropriateness of the split between research expense and development cost. The Group has recorded amortisation charge of CHF71,000 on the capitalised intangible assets and the remaining CHF761,000 has been fully impaired as at 31 December 2018.

Due to limited information available to us, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the appropriateness of CHF832,000 capitalised as intangible assets and consequently the amortisation charge of CHF71,000, impairment expense of CHF761,000 as well as research expense of CHF448,000 recorded during the year. Accordingly, we are unable to ascertain the appropriateness of the classification and presentation of these items in profit or loss and cash flow statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the International Financial Reporting Standards as issued by the IASB ("IFRS") and Singapore Financial Reporting Standards (International) ("SFRS(I)") in Singapore, 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.

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.

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

Responsibilities of Auditor for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the Group and Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis of Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 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

In our opinion, in view of the significance of the matters referred to in the Basis of Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Yew Kiang.

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Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

24 May 2019

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and Singapore Financial Reporting Standards (International) ("SFRS(I)"). There is no significant difference between SFRS (I) and IFRS.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Swiss Francs (CHF or SFr) which is the Company's functional currency. All values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.4 Fundamental accounting concept

The Group's total liabilities exceeded its total assets by CHF8,279,000 (2017: total assets exceeded total liabilities by CHF8,876,000) as at 31 December 2018. The Group's current liabilities exceeded its current assets by CHF8,258,000 (2017: CHF26,923,000) as at 31 December 2018. For the financial year ended 31 December 2018, the Group incurred a net loss of CHF50,239,000 (2017: CHF9,760,000) and operating cash outflow of CHF 5,953,000 (2017: CHF4,362,000). Additionally, the Company's current liabilities and total liabilities exceeded its current assets and total assets by CHF2,892,000 (2017: CHF*) and CHF2,892,000 (2017: CHF*) respectively as at 31 December 2018.
*: less than CHF1,000

The financial performance of the Group in the current year, in particular, during the second half of 2018, was negatively impacted by various factors, including (i) regulatory changes relating to product intervention imposed by the European and UK regulators in 2018, (ii) unfavourable trading conditions in the Group's core CFD markets, particularly during the second quarter period ended 30 June 2018 ("Q2 2018") and the third quarter period ended 30 September 2018 ("Q3 2018"), and (iii) the Group's reduced marketing expenditure.

On 1 June 2018, the European Securities and Markets Authority ("ESMA") announced a series of regulations and restrictions on the provision of contracts for differences ("CFDs") to retail investors. These measures mainly relate to limiting leverage of CFD products, introducing negative balance protection, closing customer positions if their funds fall to 50% of margin, a ban on firms offering inducements to encourage trading, standard risk warnings about retail investor losses clearly displayed on all websites and the banning of binary options. The measures were effective from 1 August 2018. The Group used to offer client bonuses prior to 1 August 2018 in order to incentivise new clients to open accounts and the limitation of leverages of CFD products have correspondingly reduced the notional trade size executed by clients impacting the Group's financial performance. Since then, volumes of traded CFD's have declined significantly across the market as a whole.

2. Summary of significant accounting policies (cont'd)

2.4 Fundamental accounting concept (cont'd)

During the year, CFD market volatility declined resulting in lower market trading volumes which impacted the Group's performance. Adverse movements in the exchange rates of GBP and EUR vs CHF also led to the Group recording an unfavourable exchange loss. As a result of the continued losses, the Group faced and continues to face working capital deficiency.

The Company owns 99.97% of a Swiss-incorporated entity, ayondo Holding AG which in turns hold 99.91% of an English-incorporated entity, Sycap Group (UK) Limited which wholly owns ayondo Markets Limited ("AML"). AML is regulated by Financial Conduct Authority ("FCA") in the UK and required to maintain a minimum capital adequacy ratio of 13% in 2018. As at 31 December 2018, AML had a regulatory capital shortfall of approximately CHF10,200,000. In view of the financial position of the Group and the Group's inability to fund AML in the immediate term to remedy the regulatory breach, the Group entered into a sales and purchase agreement to dispose AML on 7 May 2019 to a proposed buyer for a consideration of £5,700,001 which comprised the following:

(i) £1 (one pound) in cash; and
(ii) £5,700,000, being an amount owing to AML (including all interest accrued and any other amounts payable in connection with the repayment of such indebtedness) from the remaining entities of the Group which is agreed to be applied to discharge the amounts owed by the relevant remaining entities of the Group ("the Proposed Disposal").

AML's business carries high operating costs and is heavily regulated. The Proposed Disposal will significantly reduce the Group's cost base, Group's liabilities and regulatory capital requirements. The Proposed Disposal will also remove volatility to earnings caused by reliance on brokerage income and exposure to market risk.

If the Proposed Disposal is successful, the proposed buyer will inject additional capital into AML to remedy the breach. The Group has informed FCA about the Proposed Disposal and subsequent capital injection by the proposed buyer. FCA has approved the Proposed Disposal application on 8 March 2019.

The completion of the Proposed Disposal is conditional upon the fulfilment of the following conditions precedent within 6 months from the date of the sales and purchase agreement:

(i) the approval of the shareholders of the Company for the Proposed Disposal being obtained at an Extraordinary General Meeting;

(ii) the necessary approvals from all regulatory and other authorities, including but not limited to the FCA and the Singapore Stock Exchange.

(iii) there being no material adverse change prior to the time of completion which has not been waived. A material adverse change means occurrence of any of the following matters:

2. Summary of significant accounting policies (cont'd)

2.4 Fundamental accounting concept (cont'd)

(a) any investigation or enforcement action being undertaken by or at the request of the FCA against, or into any affairs or conduct of the subsidiary;

(b) any steps taken by the FCA to cancel, suspend, vary or impose any requirement or limitation in respect of, or which indicate a material prospect or possibility that the FCA is reasonably likely to cancel, suspend, vary, or impose any requirement or limitation in respect of, (i) the authorization given to the subsidiary; or (ii) the subsidiary's ability to hold or control client money other than, in each case, as a result of any change in laws or regulations;

(c) any other matter or circumstance which has or is reasonably likely to have a negative monetary impact exceeding £500,000 on the business, operations, assets, financial position, or profits of the subsidiary, excluding in each case, any event, circumstance or change to the extent resulting from:

(i) the United Kingdom's withdrawal from the European Union pursuant to Article 50 of the Treaty on European Union (2007);

(ii) changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions;

(iii) changes in conditions generally affecting the business of CFD and stock broking in the United Kingdom and/or the European Union; or

(iv) changes in laws, regulations or accounting standards or practices or the enforcement or interpretation thereof; and

(e) any material suit, investigation, action or other proceeding or claim (including any application for an injunction or other equitable remedy) existing, pending or threatened in writing against the Group before any court or governmental agency which has resulted in or specifically requires the restraint or prohibition of the consummation of the acquisition by the proposed buyer, as contemplated by the SPA; and

2. Summary of significant accounting policies (cont'd)

2.4 Fundamental accounting concept (cont'd)

(f) an Insolvency Event occurring in respect of Sycap Group (UK) Ltd and ayondo Ltd. An "Insolvency Event" under the sales and purchase agreement means:

(i) any meeting convened, order made, application made, petition presented or resolution passed for (i) the purpose of winding up of the relevant person or for a liquidator or provisional liquidator to be appointed in respect of the relevant person or (ii) the entry into any arrangement, compromise or composition with, or assignment for the benefit of, creditors of the person or any class of them;

(ii) the appointment of an administrator in respect of the relevant person or any step towards such appointment (including the issue of any notice of intention to appoint or the making of any application to court to appoint an administrator);

(iii) the appointment of a receiver or an administrative receiver in respect of the relevant person or all or any of their assets;

(iv) the relevant person being insolvent, or unable to pay its debts within the meaning of section 123 of the UK Insolvency Act 1986, or stopping paying its debts as they fall due;

(v) the proposal of any voluntary arrangement under section 1 of the UK Insolvency Act 1986 in respect of the relevant person;

(vi) any unsatisfied judgement, order or award being outstanding against the relevant person or any written demand under section 123(1)(a) of the UK Insolvency Act 1986 being made against the relevant person or any distress or execution being levied on, or other process commenced against the relevant person;

(vii) any indebtedness of the relevant person being subject to a moratorium;

(viii) an Encumbrance becoming enforceable or being enforced over all or substantially all of the assets of the relevant person;

(ix) any distress, execution or other process being levied on an asset of the relevant person; or

(x) any event analogous to any of the events referred to above occurring in or outside England.

The Proposed Disposal amongst others is subject to the above-mentioned conditions.

Shareholders which hold an aggregate of approximately 55.49% of the total number of issued Shares of the Company, have undertaken to vote in favour of the Proposed Disposal.

2. Summary of significant accounting policies (cont'd)

2.4 Fundamental accounting concept (cont'd)

As part of the Group's restructuring plan, the Group is actively pursuing with potential investors business opportunities to develop its social trading business, particularly in Asia. As announced on 20 February 2019, the Group had entered into a non-binding strategic alliance terms with Golden Nugget Jinzhuan Limited ("iMaibo"), which offers a cost-efficient social investing platform for Asian and other global CFDs to facilitate investment-related business, via its network of social media influencers and key opinion leaders ("KOLs"), followers of such KOLs, and third-party service and product providers. Together with iMaibo, the Group intends to relaunch its business focused primarily in Asia and social trading and to combine the elements of KOLs and the Group's social trading technology to create new social trading market place with other strategic partners in the region. The overall size of China and the wider Asia Pacific region in comparison with Europe offers more opportunities to the Company. In addition, the CFD market, outside Singapore and Australia where regulations allow for CFD trading, is still in its early stage and is primarily active in offshore foreign exchange trading. The Group sees B2B opportunities to promote social trading to onshore and offshore market participants through software licensing and other partnerships. The Group's historic social trading platform WeTrade will be supplemented by the launch of the next generation software Tradestac, the Group's next generation social trading technology, which will offer greater flexibility in connecting B2B partners and also facilitate the deployment of its technology.

As part of the collaboration, the Group and some strategic business partners are in the midst of exploring various funding options. The Group is planning to raise long term funding through the various funding options. The funding from the strategic business partners is dependent on the Proposed Disposal being successful. The Group's ability to secure funding is critical for the Group's continued existence and future business plans. The Group's business plans incorporate forecasted growth of revenues and margins of the social trading business in Asia which are fundamental to achieving the Group's forecasted operating and financial results.

In the directors' opinion, barring any unforeseen circumstances, the Group will be able to successfully dispose of AML given that it has already secured irrevocable undertakings from shareholders hold an aggregate of approximately 55.49% of the total number of issued Shares of the Company to vote in favour of the Proposed Disposal. The restructuring exercise and fund-raising plans are underway. Hence, the directors are of the view that the application of the going concern assumption is appropriate for the preparation of the accompanying financial statements.

If the financial statements were presented on a realisation basis, the carrying value of its assets and liabilities may be materially different. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its 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 currently recorded in the balance sheet. In addition, the Group and Company may have to reclassify its non-current assets as current assets and its non-current liabilities to current liabilities. No such adjustments have been made to these financial statements.