



AYONDO LTD.

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

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE EQUITY INTEREST OF RICH GLORY INTERNATIONAL INVESTMENT LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of ayondo Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 13 April 2020 entered into a non-binding term sheet (the “**Term Sheet**”) with Wang Pang, Paul (“**Vendor**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire equity interest in Rich Glory International Investment Limited (“**Target**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” (“**RTO**”) of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and is subject to, *inter alia*, the approval of shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting to be convened (the “**EGM**”) and the approval of the SGX-ST.

The Term Sheet is not intended to be legally binding between the Parties, except for certain provisions relating to, *inter alia*, exclusivity, confidentiality and governing law. As such, the Proposed Acquisition remains subject to the entry into definitive agreement for the Proposed Acquisition (the “Definitive Documentation”). The Parties have identified a full sponsor for the Proposed Acquisition and are finalising the mandate with them.

2. INFORMATION ON THE TARGET

The information in this section relating to the Target and Vendor is based on information provided by and/or representations made by the Vendor. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

As the date of this announcement, the Target is a private company limited by shares incorporated in Hong Kong with an issued and paid-up share capital of HKD100 comprising 100 ordinary shares. The Target is a licensed moneylender in Hong Kong and is principally engaged in the business of moneylending.

The Vendor is a Hong Kong citizen who was introduced to the Company by Golden Nugget Jinzhuan Limited. The Vendor has no connection with Golden Nugget Jinzhuan Limited. The Vendor is the existing ultimate beneficial owner of 100% equity interest in the Target and is the sole shareholder of Speed Success Group Limited, which had granted a loan in the principal amount of S\$675,000 to the Company. The loan bears interest at the rate of 15% per annum and the term of the loan, as extended by the parties, was up till 28 November 2019. As at the date of this announcement, the loan remains outstanding.

3. RATIONALE

The trading of the Company’s shares has been suspended and at present, the Company does not have any ongoing business operations after having disposed of all its subsidiaries, including the liquidation of two subsidiaries. Please refer to the Company’s announcements dated 6 June 2019, 14 August 2019 and 22 August 2019 for more information on the disposal and liquidation of the subsidiaries. To rebuild shareholder value, the Company has been seeking an

appropriate business to be injected into the Group. The Company is of the view that the Proposed Acquisition will place the Company in a position to expand into new business areas and grow revenues, both which will help rebuild shareholder value.

4. PRINCIPAL TERMS OF THE TERM SHEET

4.1 *Indicative Purchase Price*

The purchase price ("**Purchase Price**") for the entire equity interest in the Target ("**Sale Shares**") payable by the Company to the Vendor will be set out in the Definitive Documentation, which shall be based on the estimated business value of the Target. The Purchase Price will be subject to adjustment(s) based on a valuation to be carried on the Target by an independent valuer to be appointed by the Company.

The Purchase Price shall be satisfied by the allotment and issue by the Company to the Vendor (or such other party as the Vendor may direct) of new ordinary shares in the capital of the Company at an issue price to be determined ("**Consideration Shares**") in the Definitive Documentation. On Completion (as defined below), the Vendor will become a controlling shareholder of the Company.

4.2 *Conditions Precedent*

Completion shall be conditional upon the fulfilment of, *inter alia*, the following conditions precedent, the details of which shall be set out in the Definitive Documentation:

- (a) the completion of satisfactory legal, tax and financial due diligence on the Target conducted by the Company and its advisors over the Target;
- (b) listing and quotation notice being received from the SGX-ST for the dealing in and quotation for the Consideration Shares, and where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company as confirmed in writing by them, such approval not being revoked, rescinded or cancelled prior to Completion;
- (c) (if required) the receipt of the whitewash waiver from the Securities Industry Council, and where such waiver is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company as confirmed in writing by them, and such waiver not being revoked, rescinded or cancelled prior to Completion;
- (d) all necessary approvals of the SGX-ST, the Securities Industry Council and/or any other relevant authorities for the Proposed Acquisition and the RTO;
- (e) all necessary approvals of the Shareholders being obtained for among others, the Proposed Acquisition and the RTO at an extraordinary general meeting of the Company to be convened; and
- (f) such other conditions as may be customary for transactions of this nature.

4.3 *Exclusivity Period*

The Company and the Vendor have agreed to enter into discussions on an exclusive basis for a period commencing three (3) months from the date of the Term Sheet (the "**Exclusivity Period**"). During the Exclusivity Period, the parties and their agents and representatives, or any other person acting on their behalf, shall not, directly or indirectly, solicit, encourage, initiate, discuss, negotiate with respect to, or facilitate or enter into any agreement in respect of, any transaction or arrangement relating to the transactions or arrangements which are similar in nature to the transactions or arrangements contemplated in the Term Sheet.

4.4 *Definitive Documentation*

The parties agree to, on a best endeavours basis, enter into definitive documentation including a share purchase agreement in respect of the Proposed Acquisition along the structure as set out herein that shall be governed by Singapore law, within a period of one (1) month from the

date of the Term Sheet or such other date as may be agreed between the Parties, subject always to the Exclusivity Period.

4.5 *Governing Law and Jurisdiction*

The Term Sheet is governed by the laws of the Republic of Singapore. The jurisdiction for determining any dispute under the Term Sheet is the courts of Singapore.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition (other than in his capacity as a director or shareholder of the Company).

6. FURTHER ANNOUNCEMENT

The Company will make further announcements, in compliance with the requirements of Chapter 10 of the Catalist Rules, upon the execution of the Definitive Documentation and/or when there are material developments in respect of the Proposed Acquisition.

By Order of the Board

Foo Fatt Kah
Non-Executive Director
13 April 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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.

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