

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

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

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**DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”), 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, Foo Kon Tan LLP (the “**Auditor**”), has issued a disclaimer of opinion (“**Disclaimer of Opinion**”) on the audited financial statements of the Company and the Group for the financial year ended 31 December 2019 (“**FY2019**”)(the “**Independent Auditor’s Report**”).

The basis for the disclaimer of opinion is contained in the Independent Auditor's Report. Please refer to the copy of the Independent Auditor's Report attached herein for further details.

*Board Comments on Going Concern*

The Board notes the Auditor’s comments on the existence of a material uncertainty which may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern. As previously announced and also set out in Note 2(a) of Financial Statements, the Company had entered into a S\$8,100,000 convertible note agreement (“**CN3**”) with Golden Nugget Jinzhuan Limited (“**GN**”).

On 3 June 2020, the Company received \$675,000 (“**Tranche 1**”) from issuance of the first tranche of CN3 to GN. GN has the option to subscribe for the remaining S\$7,425,000 in subsequent tranche multiples of \$135,000 at any time within three years from the issue of the Tranche 1.

The ability of the Company to continue as a going concern would depend on the continued support from GN to finance the Company via exercising its option in CN3 to inject additional funds into the Company to meet its obligations as and when they fall due.

*Board Comments on Other Matters Highlighted in the Independent Auditor's Report*

In relation to the other matters raised in the Independent Auditor’s Report, the Board wishes to highlight that these issues had arose during a period which the Group had undergone significant restructuring including the disposal of its key operating subsidiary, ayondo Markets Limited (“**AML**”) and the insolvency and / or liquidation proceedings of its remaining subsidiaries, following which the Group ceased to have any operating business activities. This has led to challenges in obtaining the necessary information for the conduct of the audit.

As a result of the above restructuring, the Group also experienced a complete turnover of its key management team including its chief executive officer, chief financial officer, chief operating officer, chief talent officer and general counsel. The Company appointed an interim chief executive officer in January 2019 who also departed in August 2019 after seeing through the disposal of AML. The Company has since hired another interim CEO in October 2019.

Presently, the finance function is outsourced to a third party service provider in Singapore, with oversight by the interim CEO and the Audit Committee of the Company. Given that the Company have minimal activities currently, the Board believes that the set-up is adequate to manage the accounting, financial reporting and compliance functions of the Company.

The Company had on 29 July 2020 entered into a conditional sale and purchase agreement with Speed Success Group Limited in relation to the potential acquisition of Rich Glory International Investment Limited (the “**Proposed Acquisition**”). The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company under the Catalist Rules. Please refer to the Company’s announcement on 30 July 2020 for more details on the Proposed Acquisition.

The trading of the Company’s shares has remained suspended since 1 February 2019. The Company has through its Sponsor, submitted an application for a further extension of time to submit its proposal for the resumption of trading, the outcome of which will be announced in due course.

Shareholders of the Company are advised to read this announcement in conjunction with the Independent Auditor’s Report and the Company’s Annual Report for FY2019 in their entirety and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Foo Fatt Kah  
Non-Executive Director  
3 August 2020

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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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

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## APPENDIX 1

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### Independent Auditor's report

#### 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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Group and the Company. Because of the significance of the matters 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 (Note 2(a) to the financial statements)

The Group reported net operating cash outflows of CHF2,632,000 for the financial year ended 31 December 2019. As at 31 December 2019, the Group and the Company had a deficit in equity of CHF3,267,000 and CHF3,267,000, and net current liabilities of CHF2,234,000 and CHF2,234,000, respectively. The Group reported a net profit of CHF14,878,000 for the year ended 31 December 2019. Excluding non-operating income comprising gain on disposal of subsidiary of CHF17,638,000 and gain on deconsolidation of subsidiaries on liquidation of CHF2,423,000, the Group's results for the year would be a net loss of CHF5,183,000. As at 31 December 2019, the Group and the Company had cash and bank balances of CHF31,000 and CHF31,000, respectively, respectively. Having either disposed of or lost control over all its subsidiaries, only the Company remains in the Group. The statement of the financial position of the Company shows a net deficit in equity of CHF3,267,000.

The trading of the Company's shares has been suspended since February 2019. The Group does not have any ongoing business operations subsequent to disposal and commencement of liquidation of subsidiaries during the current financial year ended 31 December 2019.

The abovementioned conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

On 3 March 2020, the Company convened an extraordinary general meeting where the shareholders of the Company approved the issuance of convertible notes ("CN") of Singapore dollars (\$) 9,897,620, comprising CN1 of \$1,122,620 and CN3 of \$8,100,000 to Golden Nugget Jinzhuan Limited ("GN"), and CN2 of \$675,000 to Mamoru Taniya. As at 31 December 2019, loans of \$856,000 and \$486,000 related to CN1 and CN2, respectively, had been received (Note 15).

On 3 June 2020, the Company received \$675,000 from issuance of the first tranche of CN3 to GN. The Company has granted an option to GN to subscribe for subsequent tranches of CN3 (each of a principal amount in the multiples of \$135,000, and the aggregate principal amount of such subsequent tranches shall be no more than \$7,425,000) from the Company at the principal amount to be agreed between GN and the Company at any time within three years from the issue of the Tranche 1 of CN3.

## Independent Auditor's report

### Independent auditor's report to the members of ayondo Ltd. (Cont'd)

#### Basis for Disclaimer of Opinion (Cont'd)

##### (1) Going concern assumption (Note 2(a) to the financial statements) (Cont'd)

We cannot obtain sufficient appropriate audit evidence on the availability of funding from issuance of CN3 as set out above.

Because of the multiple uncertainties listed above, we were unable to form a view as to whether the going concern basis of presentation of these financial statements is appropriate.

If the Group and the Company are unable to continue as a going concern, the Group and the Company may be unable to discharge their 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 statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements.

##### (2) Opening balances

The financial statements for the financial year ended 31 December 2018 was audited by another firm of auditors whose audit report dated 24 May 2019 expressed a disclaimer of opinion. The matters which resulted in that disclaimer opinion included going concern assumption and capitalisation of intangible assets related to information technology platform costs. The predecessor auditor was unable to obtain sufficient appropriate audit evidence concerning the appropriateness CHF832,000 capitalised as intangible assets, amortisation expense of CHF71,000, impairment loss on intangible assets of CHF761,000, as well as research expense of CHF448,000 recorded during the year ended 31 December 2018.

There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the opening balances and the comparative figures were free from material misstatement that may materially affect the financial performance, cash flows and financial position of the Group for the financial year ended 31 December 2019.

The above matters for which we are unable to obtain sufficient appropriate audit evidence may affect the comparability of the current year's financial statement items with the corresponding items in the prior year.

##### (3) Deconsolidation of subsidiaries (Note 25 to the financial statements)

All employees of the Group left during the current financial year ended 31 December 2019. Subsequently, the Group engaged a contract finance staff and appointed a Chief Technology Officer cum Interim Chief Executive Officer in October 2019.

- On 5 June 2019 (the "Disposal Date"), the Group disposed of ayondo Markets Ltd ("AML") to an unrelated party (the "Acquirer") for a consideration of CHF7.2 million (GBP5.7 million in source currency) and recorded gain on disposal of CHF17,638,000, being the difference between the carrying amount of AML's net liabilities and the proceeds of sale. The underlying accounting books and records of AML were handed over to the Acquirer.

## Independent Auditor's report

### Independent auditor's report to the members of ayondo Ltd. (Cont'd)

#### Basis for Disclaimer of Opinion (Cont'd)

#### (3) Deconsolidation of subsidiaries (Note 25 to the financial statements) (Cont'd)

The carrying amounts of the individual assets and liabilities at the Disposal Date were based on management accounts for the five months ended 31 May 2019 and pro-rated accounts for the period from 1 June 2019 to 5 June 2019 extracted from June 2019 management accounts provided by the Acquirer.

- The Group filed for insolvency proceedings with courts in Germany for liquidation of ayondo GmbH on 14 August 2019 and ayondo Holding AG on 22 August 2019. ayondo GmbH is a wholly-owned subsidiary of ayondo Holding AG.

On 16 January 2020, the Company announced that liquidation proceedings for ayondo GmbH had been completed. On 2 June 2020, the Company announced that ayondo GmbH had received a notice from the Frankfurt District Court in Germany on the reopening of insolvency proceedings (Note 34). The directors of the Company are of the view that it is presently not practicable to provide an assessment of contingent liabilities, if any, that may arise from the reopening of insolvency proceedings.

These subsidiaries, together with subsidiaries directly owned by ayondo Holding AG, were deconsolidated from the Group's financial statements on the respective liquidation dates (the "Liquidation Dates") where the Company lost control over these subsidiaries whose affairs were managed by the court-appointed insolvency administrator.

Gain on deconsolidation of subsidiaries on liquidation amounted to CHF2,423,000.

The accounting records of the subsidiaries were not available for our audit to determine whether the results of these subsidiaries have been appropriately reflected in the consolidated financial statements of the Company.

We were also unable to obtain sufficient appropriate audit evidence over the account balances at the Liquidation Dates.

As a result, we were unable to ascertain the accuracy of gain on disposal of subsidiary of CHF17,638,000 and gain on deconsolidation of subsidiaries on liquidation of CHF2,423,000 recognised for the year ended 31 December 2019 in respect of these subsidiaries.

## Independent Auditor's report

### Independent auditor's report to the members of ayondo Ltd. (Cont'd)

#### Basis for Disclaimer of Opinion (Cont'd)

##### **(4) Profit from discontinued operations (Note 25 to the financial statements)**

Profit from discontinued operations amounted to CHF16,540,000 for the year ended 31 December 2019.

As a result of the above scope limitations in respect of deconsolidation, we were unable to carry out alternative procedures to satisfy ourselves as to whether the net operating income and expense line items in the profit and loss accounts of the subsidiaries for the period from 1 January 2019 to the Disposal Date and Liquidation Dates, and the line items in the balance sheets of the subsidiaries as at the Disposal Date and Liquidation Dates related to discontinued operations (Note 25) were free from material misstatement that may materially affect profit from discontinued operations, profit after tax attributable to equity holders of the Company, and cash flows for the financial year ended 31 December 2019.

Any adjustment necessary to the account line items making up profit from discontinued operations of the Group would have a consequential effect on the profit of the Group, earnings per share, and consolidated statement of cash flows for the current year ended 31 December 2019, and accumulated losses, total equity attributable to owners of the Company and total equity as at 31 December 2019.

##### **(5) Results from continuing operations (Consolidated statement of profit or loss and other comprehensive income)**

The Group recorded loss from continuing operations after taxation of CHF1,662,000, including other income of CHF266,000, staff expenses of CHF50,000 and other operating expenses of CHF1,766,000, for the year ended 31 December 2019. We were not provided with the underlying accounting records to support other income of CHF244,000, staff expenses of CHF50,000 and other operating expenses of CHF317,000. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy and occurrence of other income, staff expenses and other operating expenses recorded in the profit or loss related to continuing operations for the year ended 31 December 2019.

##### **(6) Trade and other payables (Note 17 to the financial statements)**

At 31 December 2019, trade and other payables of CHF1,381,000 included accruals of approximately CHF288,000 which were not supported by evidence that underlying services had been received by the Group.

In the absence of sufficient information, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, completeness, accuracy, rights and obligations in respect of the liabilities as at 31 December 2019 and the profit or loss of continuing operations for the year ended 31 December 2019.

## Independent Auditor's report

### Independent auditor's report to the members of ayondo Ltd. (Cont'd)

#### Basis for Disclaimer of Opinion (Cont'd)

##### **(7) Adoption of SFRS(I) 16 Leases (Note 2(a) to the financial statements)**

The Group was required to adopt SFRS(I) 16 Leases on 1 January 2019. The Group did not assess lease liabilities and the associated lease assets as at 1 January 2019. This is not in compliance with SFRS(I) 16.

We were unable to determine what the lease liabilities and lease assets as at 1 January 2019 and at the Disposal Date and Liquidation Dates (disclaimer point (3) above), and the effect of amortisation of lease assets on the current year's results should have been had lease liabilities and the associated lease assets at the adoption date been estimated.

##### **(8) Key management personnel compensation (Note 28 to the financial statements)**

Disclosure of key management personnel compensation for the year ended 31 December 2019 was not presented in the financial statements due to unavailability of information. This non-disclosure is not in compliance with SFRS(I) 1-24 Related Party Disclosures.

#### **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 SFRS(I)s, 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.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters 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.

## Independent Auditor's report

### Independent auditor's report to the members of ayondo Ltd. (Cont'd)

#### Report on Other Legal and Regulatory Requirements

In our opinion, except for the significance of the matters referred to in the Basis of Disclaimer of Opinion section of our report, the accounting and other records required by the Act to be kept by the Company and by the subsidiary 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 Toh Kim Teck.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 2 August 2020