

ayondo Ltd.

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2020

This announcement has been prepared by ayondo Ltd. (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.

IMPORTANT NOTES

- 1) The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.
- 2) In 2019, the Group disposed its key operating subsidiary, ayondo Markets Ltd ("**AML**") to BUX following the Extraordinary General Meeting on 3 June 2019. The rationale for the disposal was set out in the circular to shareholders dated 19 May 2019. On 14 August 2019, the Company announced that the managing director of indirect subsidiary, ayondo GmbH had filed for insolvency of ayondo GmbH and a preliminary administrator has been appointed ("**AYG Insolvency**"). On 22 August 2019, the Company announced that consequent to the AYG Insolvency, ayondo Holding AG ("**AHAG**") was advised to commence insolvency proceedings given its over-indebtedness resulting from the write-off of ayondo GmbH in its accounts. As such, an application was filed with the competent court in Zug, Switzerland (the "**Court**") to commence insolvency proceedings over the assets of AHAG ("**AHAG Insolvency**"). Following from the AHAG Insolvency, the Group no longer controls AHAG and hence has deconsolidated AHAG from the Group in 3Q2019.

The Board would like to advise shareholders to read the above important notes and the following unaudited results announcement for 4Q2020 carefully. Shareholders should also consult their stockbroker, bank manager, solicitor, or other professional adviser if they have any doubt about the actions that they should take.

UNAUDITED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Three months period ended 31 Dec 2020 ("4Q2020") vs three months period ended 31 Dec 2019 ("4Q2019")

Full year ended 31 Dec 2020 ("12M2020") vs full year ended 31 Dec 2019 ("12M2019")

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEARLY AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	4Q2020	4Q2019	Increase/ (Decrease)	12M2020	12M2019	Increase/ (Decrease)
	(Unaudited) CHF'000	(Unaudited) CHF'000	%	(Unaudited) CHF'000	(Re-stated) CHF'000	%
Trading revenue	-	-	-	-	-	-
Fees, rebates, client bonus and betting duty tax	-	-	-	-	-	-
Net operating income	-	-	-	-	-	-
Other income	7	-	n.m.	220	266	(17.3)
	7	-	n.m.	220	266	(17.3)
Other items of expense						
Staff expenses	(22)	-	n.m.	(91)	(50)	82.0
Other operating expenses	(233)	(296)	(21.3)	(683)	(1,656)	(58.8)
Finance costs	(38)	(111)	(65.8)	(166)	(112)	48.2
Loss before tax	(286)	(407)	(29.7)	(720)	(1,552)	(53.6)
Income tax expense	-	-	-	-	-	-
Loss for the period	(286)	(407)	(29.7)	(720)	(1,552)	(53.6)
Discontinued operations						
Gain on disposal of subsidiary	-	10,466	n.m.	-	17,638	n.m.
(Loss)/Gain on deconsolidation of subsidiaries arising from liquidation	-	(47,396)	n.m.	-	2,423	n.m.
Loss from discontinued operations, net of tax	-	(510)	n.m.	-	(3,521)	n.m.
(Loss)/Profit for the period	(286)	(37,847)	n.m.	(720)	14,988	n.m.
Other comprehensive income						
Foreign currency translation	-	-	-	-	597	n.m.
Other comprehensive income for the period, net of tax	-	-	-	-	597	n.m.
Total comprehensive income for the period	(286)	(37,847)	(99.2)	(720)	15,585	n.m.
(Loss)/Profit for the period attributable to:						
Equity holders of the Company	(286)	(37,843)	(99.2)	(720)	15,009	n.m.
Non-Controlling Interest	-	(4)	n.m.	-	(21)	n.m.
(Loss)/Profit for the period	(286)	(37,847)	(99.2)	(720)	14,988	n.m.
Total comprehensive income for the period attributable to:						
Equity holders of the Company	(286)	(37,843)	(99.2)	(720)	15,606	n.m.
Non-Controlling Interest	-	(4)	n.m.	-	(21)	n.m.
Total comprehensive income for the period	(286)	(37,847)	(99.2)	(720)	15,585	n.m.

Note:

n.m. - Not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

	Group					
	4Q2020	4Q2019	Increase/ (Decrease)	12M2020	12M2019	Increase/ (Decrease)
	(Unaudited) CHF'000	(Unaudited) CHF'000	%	(Unaudited) CHF'000	(Re-stated) CHF'000	%
Net foreign exchange (loss)/gain	(7)	1	n.m.	(211)	266	n.m.
Finance costs on loans	18	111	(83.8)	97	112	(13.4)
Interest on convertible notes	20	-	n.m.	69	-	n.m.

Note:

n.m. - Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31-Dec-20 (Unaudited) CHF'000	As at 31-Dec-19 (Re-stated) CHF'000	As at 31-Dec-20 (Unaudited) CHF'000	As at 31-Dec-19 (Re-stated) CHF'000
<u>Current assets</u>				
Trade and other receivables	20	4	20	4
Cash and bank balances	17	31	17	31
Total current assets	37	35	37	35
Total assets	37	35	37	35
<u>Equity</u>				
Share capital	33,752	32,450	33,752	32,450
Other reserves	3,074	2,988	3,074	2,988
Accumulated losses	(39,315)	(38,595)	(39,315)	(38,595)
Total equity	(2,489)	(3,157)	(2,489)	(3,157)
<u>Non-current liabilities</u>				
Convertible notes	411	-	411	-
Borrowings	90	1,033	90	1,033
Total non-current liabilities	501	1,033	501	1,033
<u>Current liabilities</u>				
Trade and other payables	1,383	1,271	1,383	1,271
Borrowings	610	856	610	856
Loan from a former director	32	32	32	32
Total current liabilities	2,025	2,159	2,025	2,159
Total liabilities	2,526	3,192	2,526	3,192
Total equity and liabilities	37	35	37	35

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable by the Group in one year or less, or on demand**

As at 31 Dec 2020 CHF'000		As at 31 Dec 2019 CHF'000	
Secured	Unsecured	Secured	Unsecured
-	610	-	856

Amount repayable by the Group after one year

As at 31 Dec 2020 CHF'000		As at 31 Dec 2019 CHF'000	
Secured	Unsecured	Secured	Unsecured
-	501	-	1,033

Details of collateral

All the unsecured borrowings and convertible notes of approximately CHF1.1 million as at 31 December 2020 were unsecured, interest-bearing loans provided by Golden Nugget Jinzhuan Limited, Mr Mamoru Taniya and Speed Success Group Limited, respectively.

There were no secured borrowings as at 31 December 2020 and 31 December 2019.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**Consolidated Cash Flow Statement**

	Group			
	4Q2020 (Unaudited) CHF'000	4Q2019 (Unaudited) CHF'000	12M2020 (Unaudited) CHF'000	12M2019 (Re-stated) CHF'000
<u>Cash flows from operating activities</u>				
Loss before tax				
Continuing operations	(286)	(407)	(720)	(1,552)
Discontinued operations	-	(37,437)	-	16,305
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	-	(3)	-	40
Amortisation of intangibles	-	-	-	2
Gain on disposal of subsidiaries	-	(10,466)	-	(17,638)
Loss/(Gain) on deconsolidation of subsidiaries arising from liquidation	-	47,396	-	(2,423)
Finance costs	38	111	166	112
Unrealised exchange gain	(8)	(262)	(131)	(266)
Operating cash flows before changes in working capital	(256)	(1,068)	(685)	(5,420)
Decrease/(Increase) in trade and other receivables	19	484	(16)	395
Increase in trade and other payables	67	6,873	112	2,393
Cash flows used in operations	(170)	6,289	(589)	(2,632)
Interest paid	-	-	-	-
Net cash flows (used in)/generated from operating activities	(170)	6,289	(589)	(2,632)
<u>Cash flows from investing activities</u>				
Net cash outflow on disposal of subsidiary	-	(6,737)	-	(205)
Net cash inflow/(outflow) on deconsolidation of subsidiaries	-	104	-	(187)
Net cash flows used in investing activities	-	(6,633)	-	(392)
<u>Cash flows from financing activities</u>				
Proceeds from borrowings	33	451	124	1,778
Receipt of loan from former director	-	31	-	31
Repayment of loans from related parties	-	(291)	-	(291)
Receipts of convertible notes	-	-	453	-
Net cash flows generated from financing activities	33	191	577	1,518
Net decrease in cash and cash equivalents	(137)	(153)	(12)	(1,506)
Effects of exchange rate changes on cash and cash equivalents	-	62	(2)	5
Cash and cash equivalents at the beginning of the period	154	122	31	1,532
Cash and cash equivalents at the end of the period	17	31	17	31

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Unaudited financial statements for the fourth quarter and full year ended 31 December 2020

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital CHF'000	Convertible notes reserve CHF'000	Employee share option reserve CHF'000	Accumulated losses CHF'000	Total equity CHF'000
2020					
At 1 Jan 2020					
As reported	32,450	-	2,988	(38,705)	(3,267)
Prior year adjustments	-	-	-	110	110
At 1 Jan 2020 (Re-stated)	32,450	-	2,988	(38,595)	(3,157)
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	(720)	(720)
<u>Contributions by and distributions to owners</u>					
Issuance of convertible notes	-	348	-	-	348
Issuance of new shares arising from conversion of Convertible Note	1,302	(262)	-	-	1,040
Total contributions by and distributions to owners	1,302	86	-	-	1,388
At 31 Dec 2020	33,752	86	2,988	(39,315)	(2,489)

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Unaudited financial statements for the fourth quarter and full year ended 31 December 2020

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

Group	Share capital CHF'000	Merger reserve ⁽¹⁾ CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Total CHF'000	Non-controlling interest CHF'000	Total equity CHF'000
2019									
At 1 Jan 2019	32,450	50,536	(597)	2,988	(3,153)	(90,458)	(8,234)	(45)	(8,279)
Profit for the year	-	-	-	-	-	15,009	15,009	(21)	14,988
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	597	-	-	(597)	-	-	-
Deconsolidation of subsidiaries	-	(50,536)	-	-	3,153	37,451	(9,932)	66	(9,866)
Other comprehensive income for the period	-	(50,536)	597	-	3,153	36,854	(9,932)	66	(9,866)
At 31 Dec 2019	32,450	-	-	2,988	-	(38,595)	(3,157)	-	(3,157)

Notes:

(1) The merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under common control are accounted for by applying the pooling of interest method.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Company	Share capital CHF'000	Convertible notes reserve CHF'000	Employee share option reserve CHF'000	Accumulated losses CHF'000	Total CHF'000
2020					
At 1 Jan 2020					
As reported	32,450	-	2,988	(38,705)	(3,267)
Prior year adjustments	-	-	-	110	110
At 1 Jan 2020 (Re-stated)	32,450	-	2,988	(38,595)	(3,157)
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	(720)	(720)
<u>Contributions by and distributions to owners</u>					
Issuance of convertible notes	-	348	-	-	348
Issuance of new shares arising from conversion of Convertible Note	1,302	(262)	-	-	1,040
Total contributions by and distributions to owners	1,302	86	-	-	1,388
At 31 Dec 2020	33,752	86	2,988	(39,315)	(2,489)
2019					
At 1 Jan 2019					
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	(265)	(265)
At 31 Dec 2019	32,450	-	2,988	(38,595)	(3,157)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary shares of the Company

	No. of issued share	Issued and paid up share capital (CHF)
Balance as at 30 Sep 2020	783,267,291	33,753,821
Adjustment on exchange different arose from the conversion of convertible notes	-	(1,874)
Balance as at 31 Dec 2020	<u>783,267,291</u>	<u>33,751,947</u>

Details of convertibles

As at both dates on 31 December 2019 and 31 December 2020, there were outstanding pre-IPO options granted on 30,720,600 shares of the Company.

The Group has outstanding convertible notes of S\$675,000 in principal amount as at 31 December 2020. Based on the conversion price of S\$0.007 per share, an aggregate of 96,428,571 new shares will be issued upon the exercise of the convertible notes (not including accrued interest). This represents 12.31% of the total number of issued shares as at 31 December 2020. There were no outstanding convertible notes as at 31 December 2019.

Details of treasury shares and subsidiary holdings

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at the end of the current financial period and as at the end of the immediately preceding year are as follows:

	As at 31 Dec 2020	As at 31 Dec 2019
Total number of issued shares (excluding treasury shares) *	783,267,291	509,785,570

* The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue

We refer to the Independent Auditor's Report dated 2 August 2020 ("**Financial Statements**") in the Company's Annual Report 2019, which was subject to a disclaimer of opinion.

The Company's auditor had reported eight matters, being the basis for the disclaimer of opinion, namely:

(1) Going concern assumption

The Group's current liabilities and total liabilities exceeded its current assets and total assets by approximately CHF2.2 million and CHF3.3 million respectively as at 31 December 2019.

As previously announced and also set out in Note 2(a) of the Financial Statements, the Company had entered into a S\$8.1 million convertible note agreement ("**CN3**") with Golden Nugget Jinzhuang Limited ("**GN**").

On 3 June 2020, the Company received approximately S\$0.7 million (“**Tranche 1**”) from issuance of the first tranche of CN3 to GN. On 18 January 2021, the Company received approximately S\$0.1 million (“**Tranche 2**”) from issuance of the second tranche of CN3 to GN. GN has the option to subscribe for the remaining S\$7.3 million in subsequent tranche multiples of approximately S\$0.1 million 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 subscribing for the remaining convertible notes and/or the completion of the reverse takeover of the Company as further described in paragraph 10.

(2) Opening balances

The financial statements for the financial year ended 31 December 2018 were audited by another firm of auditors whose audit report dated 24 May 2019 expressed a disclaimer of opinion.

The auditors are not able to satisfy themselves as to whether the opening balances and the comparative figures were free from material misstatement.

(3) Deconsolidation of subsidiaries

All employees of the Group left during the current financial year ended 31 December 2019.

On 5 June 2019, the Group disposed of ayondo Markets Ltd to an unrelated party.

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

The accounting records of the subsidiaries were not available for the auditors to carry out their audit.

As a result, the auditors are unable to ascertain the accuracy of gain on disposal of subsidiary of approximately CHF17.6 million and gain on deconsolidation of subsidiaries on liquidation of approximately CHF2.4 million recognised for the year ended 31 December 2019 in respect of these subsidiaries.

(4) Profit from discontinued operations

As a result of the above scope limitations in respect of deconsolidation, the auditors are not able to carry out their audit to ascertain the accuracy of the net operating income and line item expenses in the profit and loss accounts and balance sheets of the subsidiaries as at the Disposal and Liquidation Dates (as explained in the Financial Statements).

(5) Results from continuing operations

The auditors are not provided with the underlying accounting records to support the line items in the profit and loss accounts. Consequently, the auditors are not able to satisfy themselves of the accuracy and occurrence of the line items in the profit and loss accounts.

(6) Trade and other payables

Some of the accrual items amounting to approximately CHF0.3 million which were not supported by evidence that underlying services had been received by the Group. The auditors, therefore, are not able to verify.

(7) Adoption of SFRS(I) 16 Leases

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.

(8) Key management personnel compensation

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.

In relation to items (2) to (8), 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.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that the impact of all outstanding audit issues on the financial statements for the financial year ended 31 December 2019 have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited consolidated financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not adopted the new or amended standards and interpretations early in preparing these financial statements.

The Group has assessed and does not expect the application of these standards to have a significant impact on the financial statements.

During the year, certain expenses were reversed due to over-accrued in prior year. The directors and management have concluded that it is appropriate to restate the Company's financial statements of the prior financial year to correct this misstatement.

The prior year adjustments, at nil tax, to the extent that they are applied retrospectively, have the following impact:

	As reported CHF'000	Adjustment CHF'000	As re-stated CHF'000
As at 31 December 2019			
A) Statement of financial position			
- Trade and other payables	1,381	(110)	1,271
- Accumulated losses	(38,705)	110	(38,595)
B) Statement of profit and loss			
- Other operating expenses	(1,766)	110	(1,656)
C) Cash flow statement			
- Operating cash flow before changes in working capital	(5,530)	110	(5,420)
- Changes in trade and other payables	2,503	(110)	2,393

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	4Q2020	4Q2019	12M2020	12M2019
(Loss)/Profit attributable to owners of the Company (CHF'000)	(286)	(37,843)	(720)	15,009
Loss per ordinary shares (Basic and fully diluted)				
Based on weighted average number of ordinary shares in issue (CHF cents)	(0.04) ⁽¹⁾	(7.42)	(0.11) ⁽¹⁾	2.94
Weighted average number of ordinary shares in issue	<u>783,267,291</u>	<u>509,785,570</u>	<u>631,582,074</u>	<u>509,785,570</u>

Note:

⁽¹⁾ The Group was making losses for the 4Q2020 and 12M2020 respectively. As such, it is anti-dilutive and not meaningful to calculate the diluted loss per share.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**
 (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net liability value (CHF'000)	(2,489)	(3,157)	(2,489)	(3,157)
Number of ordinary shares in issue	783,267,291	509,785,570	783,267,291	509,785,570
Net liability value per share attributable to owners of the Company (CHF cents)	(0.32)	(0.62)	(0.32)	(0.62)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Staff and other operating expenses

During the period under review, the Company incurred expenses of approximately CHF0.3 million comprising salary and related costs, professional expenses such as audit fee, corporate secretarial expenses, legal and consultancy fees, sponsor fee, accounting, and directors' fees. Other income comprises mainly exchange gain due to the strengthening of CHF against SGD.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Trade and other receivables of approximately CHF0.02 million comprises deposits and others.

The Company's total borrowings of approximately CHF0.7 million were provided by Mr Mamoru Taniya, Speed Success Group Limited and GN, respectively, and are interest-bearing.

Outstanding convertible notes of approximately CHF0.4 million were received on 3 June 2020 from the issuance of the first tranche of CN3 to GN.

The trade and other payables of approximately CHF1.4 million consists of expenses accrued and outstanding non-trade payables.

During the year, the Company issued and allotted new ordinary shares of approximately CHF1.3 million arising from the conversion of convertible notes.

NEGATIVE WORKING CAPITAL AND NET LIABILITIES POSITION

The Company was in a negative working capital position of approximately CHF2.0 million and CHF2.1 million as at 31 December 2020 and 31 December 2019, respectively.

Net liabilities position improved from approximately CHF3.2 million as at 31 December 2019 to approximately CHF2.5 million as at 31 December 2020 due to: (1) the issuance of new ordinary shares approximately CHF1.3 million arising from conversion of convertible notes; (2) recognition of the equity component of the convertible notes of approximately CHF0.1 million; and (3) offset by losses incurred approximately CHF0.7 million in 12M2020.

The unaudited financial results announcement for the 4Q2020 has been prepared on a going concern basis. The validity of the going concern basis on which the unaudited financial statements for 4Q2020 are prepared, is subject to the continued support from GN to finance the Company via subscribing for the remaining convertible notes of approximately S\$7.4 million as at 31 December 2020 and/or the completion of the reverse takeover of the Company as further described in paragraph 10.

The Company will update shareholders via SGXNET as and when there are any material developments on the aforementioned.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOW

In 4Q2020, the Group recorded a net cash outflow of approximately CHF0.2 million from operating activities, which comprises mainly current period losses and changes in working capital.

In 4Q2020, there was no cash movement from investing activities.

In 4Q2020, the Group recorded a cash inflow of approximately CHF0.03 million as a result of a loan received from GN.

Use of proceeds from convertible notes

The Company had raised proceeds from the convertible notes of approximately S\$2.5 million.

As at 31 December 2020, the Company had fully utilized the proceeds raised from the convertible notes as follows:

	Amount allocated as disclosed in the Circular (S\$'000)	Amount raised as at 31 Dec 2020 (S\$'000)	Amount utilised as at 31 Dec 2020 (S\$'000)	Balance of net proceeds as at 31 Dec 2020 (S\$'000)
Use of proceeds				
Repayment of loan and outstanding payments owing by the Group	2,430	308	308	-
Payment of the cost and expenses relating to the Notes	41	19	19	-
General working capital	4,997	1,971	1,971	-
Business expansion through investment, acquisitions and joint ventures	2,430	175	175	-
	<u>9,898</u>	<u>2,473</u>	<u>2,473</u>	<u>-</u>

The use of the proceeds for general working capital mainly for staff salary, accounting service fees, audit fees, sponsor fees, legal and professional fees.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No specific forecast and prospect statements have been disclosed previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 30 July 2020, the Company announced that it had on 29 July 2020 entered into a conditional Sale and Purchase Agreement with Speed Success Group Limited in relation to the proposed acquisition of the entire equity interest in Rich Glory International Investment Limited by the Company (the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” of the Company and is subject to, inter alia, the approval of shareholders of the Company at an extraordinary general meeting to be convened and the approval of the Singapore Exchange Securities Trading Limited.

As announced on 19 January 2021, the company had issued the Tranche 2 CN3 of S\$0.1 million to GN. Following this subscription of Tranche 2 CN3, S\$0.8 million under the CN3 has been subscribed and there is a remaining balance principal amount of up to S\$7.3 million that has yet to be subscribed by GN.

11. Dividend

If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been recommended or declared for 4Q2020.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend has been recommended or declared for 4Q2019.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

No dividend has been declared or recommended for 4Q2020 as the Company is not in a financial position to declare dividends.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs. There was no interested person transaction of S\$100,000 and more for 4Q2020.

14. Confirmation pursuant to Rule 720(1) of the Catalyst Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers pursuant to Rule 720 (1) of the Catalyst Rules.

14A. Disclosure of acquisition (including incorporations) and sale of shares under Catalyst Rule 706A.

Save as disclosed below, the Company did not acquire or dispose shares in any companies during the fourth quarter of 2020.

De-registration of subsidiary – ayondo Holding AG (incorporated in Switzerland)

As announced by the Company on 14 October 2020, ayondo Holding AG (“**AHAG**”), in which the Company had 99.97% interest, has been de-registered from the commercial register of Zug, Switzerland.

The deregistration of AHAG has no material impact on the Company as AHAG had been deconsolidated as a subsidiary of the Company since the third quarter ended 30 September 2019.

Striking-off of subsidiary – ayondo Asia Pte. Ltd. (incorporated in Singapore)

ayondo Asia Pte. Ltd. (“**AAPL**”), a wholly-owned subsidiary AHAG (an indirect subsidiary of the Company) has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act (Cap. 50) of Singapore on 4 November 2020.

The striking-off of AAPL has no material impact on the Company as AAPL had been deconsolidated as a subsidiary of the Company since the third quarter ended 30 September 2019.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.**

Not applicable. The Group had no revenue during the year.

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above.

17. **A breakdown of sales as follows:**

	Group FY2020 CHF'000 (Unaudited)	Group FY2019 CHF'000 (Re-stated)	Increase/ (decrease) %
a) Sales reported for first half year	-	252	n.m.
b) Operating loss after tax for first half year	(274)	(2,465)	(88.9)
c) Sales reported for second half year	-	(252) [#]	n.m.
d) Operating loss after tax for second half year	(446)	913 [#]	n.m.

Note:

n.m. - Not meaningful.

[#]AHAG Group has been deconsolidated from the Group in 3Q2019. Accordingly, its trading revenue and operating losses have been reclassified under discontinued operations – Deconsolidation of subsidiaries.

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Not applicable. No dividend has been declared for FY2020 and FY2019.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

None of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Foo Fatt Kah
Non-Executive Director
26 February 2021

Foong Daw Ching
Lead Independent Director