AYONDO LTD.

Annual Report 2019

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

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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CORPORATE PROFILE

ayondo Ltd. (the "**Company**") is an investment holding company listed on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 26 March 2018 and was engaged in providing brokerage and social trading services via its overseas subsidiaries.

On 5 June 2019, the Group disposed of its key operating subsidiary in the United Kingdom, ayondo Markets Limited ("**AML**") to BUX Holding B.V. (the "**AML Disposal**"), having obtained approval from the Shareholders of the Company at the Extraordinary General Meeting ("**EGM**") held on 3 June 2019.

On 14 August 2019, the Company announced that an insolvency application was filed with the competent court in Germany to commence insolvency proceedings over the assets of ayondo GmbH ("**AYG**") (a wholly-owned subsidiary of ayondo Holding AG ("**AHAG**"), which is in turn a 99.97%-owned subsidiary of the Company) (the "**AYG Insolvency**"). Consequently, *inter alia*, an insolvency application was filed with the competent court in Zug, Switzerland to commence insolvency proceedings over the assets of AHAG (the "**AHAG Insolvency**").

Following the AML Disposal, AYG Insolvency and AHAG Insolvency, the Group has ceased to have any business operations.

On 29 July 2020 the Company entered into a conditional sale and purchase agreement ("**SPA**") with Speed Success Group Limited in relation to the proposed acquisition of the entire equity interest in Rich Glory International Investment Limited ("**Target**") by the Company (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 Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and is subject to, *inter alia*, the approval of shareholders of the Company at an EGM to be convened, and the approval of the SGX-ST. The Target is in the business of licensed collateralized lending specializing in residential mortgages, commercial mortgages and shareholders loans, and the Proposed Acquisition is intended to enable the Company to resume trading of its shares on the Catalist board.

As the Proposed Acquisition is subject to conditions and due diligence by the Company, shareholders should note that there is no certainty or assurance that the Proposed Acquisition will be completed.

LETTER TO SHAREHOLDERS

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present our annual report of ayondo Ltd. for the financial year ended 31 December 2019.

2019 has continued to be a transformational year for the Company as the Board worked tirelessly to restructure and turn the Company around. While 2019 proved to be a challenging year for the Company, it successfully sought and obtained additional investments to carry the Company and the Group through its difficulty stages.

On 3 March 2020, the Company obtained Shareholders' approval for the issuance of (i) a convertible note in the principal amount of S$1,122,620 (the "**CN1**") and convertible notes up to the principal amount of S$8,100,000 to Golden Nugget Jinzhuan Limited (the "**CN3**") and (iii) a convertible note in the principal amount of S$675,000 to Mr Mamoru Taniya (the "**CN2**"). As announced by the Company on 1 June 2020, the Company had received the payment of the subscription monies for CN1 and CN2 totalling S$1,797,620 and such monies had already been fully applied to meet the Group's general working capital requirements, including payment of professional fees, salaries, and compliance costs and expenses. The Company had received the payment of the subscription monies for tranche 1 of CN3, totalling S$675,000. The Company intends to utilise the proceeds from the issue of tranche 1 of CN3, for the repayment of loans and outstanding payments owing by the Company and general working capital purposes, including professional fees and salaries.

OUTLOOK INCLUDING RESUMPTION OF TRADING

Following the ongoing efforts in seeking the injection of a sustainable business, the Company had on 30 July 2020, announced the entry into a conditional sale and purchase agreement dated 29 July 2020 with Speed Success Group Limited in relation to the Proposed Acquisition of Rich Glory International Investment Limited. The Proposed Acquisition, if undertaken and completed, is expected to result in an RTO of the Company under the Catalist and is subject to, *inter alia*, the approval of shareholders of the Company at an EGM to be convened, and the approval of the SGX-ST.

The Company has appointed relevant professionals in in respect of the RTO. Comprehensive due diligence on the Target is underway and the Company will provide updates to the SGX-ST and the Shareholders of the Company via announcements to be released on the SGXNET on material developments to the Proposed Acquisition.

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 strong position to expand into new business areas and grow revenues, both which will help rebuild shareholder value.

IN APPRECIATION

In closing and on behalf of the Board, I would like to extend my appreciation to our investors and business associates for their patience, unwavering support and confidence in ayondo Ltd. in this challenging time. Most importantly, I would like to take this opportunity to thank our valued shareholders for their continued support in us. Going forward, we intend to focus on implementing our new strategy with the intent of rebuilding shareholder value.

Mr Dominic Morris
Interim Chief Executive Officer
ayondo Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Foo Fatt Kah
  (Non-Executive Director)
- Tse Man Kit Gilbert
  (Non-Executive Director)
- Foong Daw Ching
  (Lead Independent Director)
- Lam Shiao Ning
  (Independent Director)

AUDIT AND RISK COMMITTEE

- Foong Daw Ching (Chairman)
- Foo Fatt Kah
- Lam Shiao Ning

NOMINATING COMMITTEE

- Lam Shiao Ning (Chairman)
- Foong Daw Ching
- Tse Man Kit Gilbert

REMUNERATION COMMITTEE

- Foong Daw Ching (Chairman)
- Lam Shiao Ning
- Tse Man Kit Gilbert

COMPANY SECRETARY

Wee Woon Hong, LLB (Hons)

REGISTERED OFFICE

20 Collyer Quay #01-02
Singapore 049319

SPONSOR

UOB Kay Hian Private Limited

8 Anthony Road #01-01
Singapore 229957

INDEPENDENT AUDITOR

Foo Kon Tan LLP

24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Partner-in-charge: Toh Kim Teck
(A member of the Institute of Singapore Chartered Accountants)

(Appointed since the financial year ended 31 December 2019)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services

80 Robinson Road #11-02
Singapore 068898

BOARD OF DIRECTORS

Foo Fatt Kah (Non-Executive Director)

Dr Foo Fatt Kah has more than 30 years of experience in investment banking, venture capital and private equity investments. He is also the Managing Director and Co-Founder of Luminor Capital Pte. Ltd., a fund management firm based in Singapore since 2008. From 2003 to 2012, he was the Asian venture partner for Aravis Ventures, a global venture capital firm specializing in biotechnology and energy investments. Prior to that, he was with SG Securities Asia for seven years, most latterly being the Group's Managing Director, Head of Equities Asia excluding Japan, with responsibility for the firm's research, sales, sales trading and dealing activities in 10 Asian markets. From 1994 to 1996,Dr Foo joined Deutsche Morgan Grenfell in Singapore as the Head of Equity Research where he was involved in their Singapore equity research product covering all market sectors. Dr Foo started his career as an equity analyst specialising in the pharmaceutical and biotechnology sector in Europe, working in various firms including Paribas Capital Markets Group Limited, Barings Securities Ltd. and Robert Fleming & Co., Ltd. in London. Dr Foo obtained his degree in Medicine from Queen's University, UK in 1984 and subsequently obtained his Masters in Business Administration from Queen's University in 1987. Dr Foo is also a member of the Singapore Institute of Directors (SID).

Tse Man Kit Gilbert (Non-Executive Director)

Mr Tse Man Kit Gilbert has more than 20 years of working experience in investment banking and asset management industries. He currently serves as Advisor to Guangzhou Lianggang Investment Consulting Co., Ltd. (iMaibo) on corporate strategy and to StormHarbour Securities (HK) Ltd. on asset management business. Mr Tse was also the Chief Executive Officer of iMaibo from 2015 to 2017.

Prior to this, Mr Tse held various senior management positions over his 19-year career within Societe Generale Corporate and Investment Banking ("**Societe Generale**") Group, with the last being the Managing Director and Head of Asia at Lyxor Asset Management, the Exchange Traded Fund (ETF) provider arm of Societe Generale where he was responsible for overseeing the operation in Hong Kong, Shanghai and Tokyo and governance of the sales activities and new product launch in the region. From 2010 to 2013, Mr Tse was Executive Vice General Manager of Fortune SG Fund Management Co., Ltd, a joint venture fund management company between Hwabao Trust (Baosteel Group) and Lyxor Asset Management (Societe Generale Group) where he was in charge of sales and marketing, product development division and risk management division of Fortune SG Fund Management Co. From 2007 to 2009, Mr Tse was the Managing Director and Head of Global Markets China where he was in charge of sales and trading activities of fixed income, currencies and commodities in China. From 2000 to 2007, Mr Tse was the Managing Director and Head of Structured Derivatives Asia excluding Japan where he was in charge of providing investment and risk management solution with the use of financial derivatives for clients in Non-Japan Asia. From 1995 to 2000, he joined Societe Generale as Vice President, Primary Markets, Debt Capital Market & Derivatives where he was taking part in the structuring and sales of various financial and risk management solutions to issuers and borrowers in Asia. Mr Tse started his career as Forex & Options Trader at the Hongkong and Shanghai Banking Corporation (HSBC) from 1992 to 1995. Mr Tse obtained his Bachelor of Business Administration from the Chinese University of Hong Kong in 1992. He also holds Master of Applied Finance from Macquarie University, Australia in 1996.

BOARD OF DIRECTORS

Foong Daw Ching (Lead Independent Director)

Mr Foong Daw Ching has more than 30 years of audit experience. He was a senior partner of Baker Tilly TFW LLP and also regional Chairman of Asia Pacific region for Baker Tilly International Limited until October 2016. Prior to that, he was the managing partner of Baker Tilly TFW LLP until 2010. Mr Foong is also a Director of Baker Tilly International Limited between April 2007 and October 2016.Mr Foong is also an Independent Director of Starland Holdings Limited, Travelite Holdings Ltd. and Suntar Eco-City Limited. Mr Foong was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003 and a Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000. He is a Fellow of the Institute of Chartered Accountant in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants, and a Fellow member of CPA, Australia.

Lam Shiao Ning (Independent Director)

Ms Lam Shiao Ning has more than 20 years of experience as a corporate lawyer in Singapore. Ms Lam is currently the Managing Director of Rubicon Law LLC, a boutique corporate law firm in Singapore. Prior to this, she was the partner of Oon & Bazul LLP where she headed the mergers and acquisitions and corporate finance practice until March 2020. Prior to joining Oon & Bazul LLP in March 2016, she was a Director of Drew & Napier LLC since June 2007 and was an Associate Director since December 2004. She started her career as an associate at Arfat Selvam & Gunasingham (subsequently known as ASG Law Corporation), a boutique corporate law firm, in April 1998 and became a Director of the firm from January 2003 to October 2004. Ms Lam obtained a Bachelor of Laws (Honours) from the University of Hull, United Kingdom in 1995 and was called to the bar of England and Wales in July 1996. She was admitted as an advocate and solicitor of the Supreme Court of Singapore in March 1998. Ms Lam is a member of The Law Society of Singapore, the Singapore Academy of Law and the Inquiry Panel of the Law Society of Singapore. She also holds a Diploma in Financial Management from the Association of Chartered Certified Accountants, United Kingdom. Ms Lam is a senior teaching fellow at the Singapore Institute of Legal Education and an adjunct lecturer at the Singapore Management University’s law faculty.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of ayondo Ltd. (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**").

This report outlines the Group's main corporate governance framework and practices that were in place during the financial year ended 31 December 2019 ("**FY2019**") with specific reference made to the principles and provisions set out in the Code of Corporate Governance 2018 (the "**Code**") and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Guide**"), and explains any deviation from the Code.

For FY2019, the Group has complied with the principles as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below insofar as there are any deviations from the provisions in the Code and the Guide.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

<u>**Provision 1.1**</u>

Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholders' value.

Apart from its statutory and fiduciary responsibilities, the primary functions of the Board are to perform their roles and responsibilities laid out under the Code and the Board's terms of reference. Please refer to Table A set out on pages 39 to 42 of this Annual Report for the composition and primary functions of the Board.

The Board, in the course of performing its roles and responsibilities, acts in good faith and objectively makes decisions considering the best interests of the Group. Any Director facing a conflict or potential conflict of interests in relation to any matter will declare his or her interest and will recuse himself or herself from participating in discussions and abstain from making any decisions on the matter involving the issue of conflict. All Directors are required to declare any conflict of interests both annually and as soon as they are aware of circumstances giving rise to such conflict.

Provision 1.2 **Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.**

To keep the Directors abreast of development in the Group's industries as well as the Group's operations, the Board is regularly briefed on the status, development, business progress and financial status of the Group's operations. Outside of the mandatory quarterly Board meetings, the Board had communications with management via meetings, teleconferences and email.

All Directors are appointed to the Board, either by way of a formal letter of appointment for Non-Executive Directors or a service agreement for Executive Directors (as the case may be), indicating the scope of duties and obligations.

Where necessary, the Directors are provided with updates on changes to the relevant new rules and regulations such as the Listing Rules of the SGX-ST (the "**Catalist Rules**"), the Code, the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), etc. and changing commercial risks to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. The Company Secretary (or her representatives) briefs the Directors on key regulatory changes, while the Company's external auditors briefs the Audit and Risk Committee ("**ARC**") on key amendments to the accounting standards.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Newly appointed Directors will receive appropriate orientation to provide them with background information on the Group, and an overview of the business, trends and operations of the Group. Every Director is also encouraged to seek additional training to further their skills in performing their duties, including attending courses and/or events organised by the Singapore Institute of Directors ("**SID**").

For newly appointed Directors who do not have prior experience as a director of an issuer listed on the SGX-ST, the training programmes conducted by SID as prescribed by the SGX-ST will be arranged immediately so as to equip them with the skills and knowledge to discharge their statutory and fiduciary duties.

Mr Tse Man Kit Gilbert, who was appointed as Non-Executive Director of the Company in FY2019, had no prior experience as a director of a public-listed company in Singapore. Notwithstanding, Mr Tse Man Kit Gilbert has completed a series of training programmes prescribed by the SGX-ST conducted at SID, namely, Listed Entity Director ("**LED**") Programme ("**Mandatory Training**,"), within the stipulated deadline as prescribed in the Catalist Rules, to equip himself for the roles and responsibilities of a director of a listed company in Singapore.

Trainings and/or seminars attended by the Directors from the financial year beginning from 1 January 2019 to the date of this Annual Report are listed below:

Name of Directors	Title of Trainings/Seminars
Foo Fatt Kah	ACRA-SGX-SID Annual Audit Committee Seminar
Tse Man Kit Gilbert	LED 1 – Listed Entity Director Essentials LED 2 – Board Dynamics LED 3 – Board Performance LED 4 – Stakeholder Engagement LED 7 – Nominating Committee Essentials LED 8 – Remuneration Committee Essentials
Foong Daw Ching	ACRA-SGX-SID Annual Audit Committee Seminar
Lam Shiao Ning	ACRA-SGX-SID Annual Audit Committee Seminar

Provision 1.3 **The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.**

Matters that specifically require the Board's approval include the following:

- Allotment and issuance of new shares in the Company;
- Grant of share awards under the Employee Share Option Scheme
- Issue of convertible bonds and warrants;
- Bank matters including opening of bank accounts, change of bank signatories, acceptance of banking facilities and issuance of corporate guarantees;
- Acquisition and realisation of shares in subsidiaries and any other companies;
- Major acquisition and disposal of assets and any proposal for investment and divestment of interests;
- Incorporation of subsidiaries, subscription of shares in subsidiaries, capitalization of loans due from subsidiaries and appointment of corporate representative;
- Entry into of sale and purchase agreements and any other agreements in relation to the acquisition or disposal of assets outside the ordinary course of business;
- Approving of announcements, quarterly and full year financial results announcements for public release;
- Convening of general meetings;
- Financial and secretarial matters including approval of audited financial statements, Directors' statements, approval of annual capital expenditure, change of registered office and any proposed alteration to the Constitution; and
- Appointment of Directors, key management personnel, auditors and Powers of Attorney.

Provision 1.4 **Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.**

Presently, the Board delegated the implementation of the business policies and day-to-day operations to the Interim Chief Executive Officer ("**CEO**") of the Company. During FY2019, the Company experienced substantial key management team turnover. In the early part of FY2019, the former Executive Director and CEO, Mr Robert Lempka resigned and was replaced by an interim CEO, Mr Richard Mark Street who resigned in August 2019 following the disposal of the Group's key operating subsidiary, ayondo Markets Limited, and the insolvency proceedings of its overseas subsidiaries in Switzerland and Germany , namely, ayondo Holding AG and ayondo GmbH. Further details of the aforementioned cessations are set out in the Company's announcements released on SGXNet during FY2019. On 15 October 2019, Mr Dominic Anthony Morris was appointed as Chief Technology Officer cum Interim CEO of the Company. Until a full-time CEO is appointed, Mr Dominic Anthony Morris will have the delegated authority from the Board to manage and oversee the overall business and activities of the Group on an interim basis.

To delegate effective management, the Board is further supported in its functions by and has delegated certain authorities to three (3) Board Committees, namely, the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") which have been established to facilitate and assist the Board in the execution and discharge of specific responsibilities as set out in the written terms of reference.

All Board Committees are chaired by Independent Directors and each Board Committee has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board Committees are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed and approved by the Board.

Please refer to Table A set out on pages 39 to 42 of this Annual Report for the composition and primary functions of the Board Committees.

Provision 1.5 **Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.**

The Board meets regularly and at least on a quarterly basis. Additional meetings are held from time to time as may be required to address any significant matters that may arise.

Dates of Board and Board Committees meetings and shareholders' meetings (i.e. annual general meetings and extraordinary general meetings) are scheduled in advance in consultation with all of the Directors. Directors who are unable to attend the scheduled meeting in person, are invited to participate in the meeting via telephone or video conference.

The number of Board and Board Committees meetings held and the record of attendance of each member of the Board and Board Committees during FY2019 are set out in Table B at page 43 of this Annual Report.

The Company's constitution (the "**Constitution**") provides for meetings of the Directors to be held by means of telephone and video conference or other simultaneous communication methods in the event that Directors are unable to attend the meetings in person. The Board and Board Committees may also make decisions by way of written resolutions.

Directors with multiple listed company board representations are required to ensure that they have given sufficient time and attention to the affairs of the Company. The NC has reviewed the multiple board representations of each Director, and is satisfied that the Directors who are holding multiple board representations have been adequately carrying out their duties as directors of the Company, and have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as Directors of the Company.

Provision 1.6 **Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.**

The Company makes available to Directors financial results, as well as the explanatory information relating to matters that are to be discussed at the Board and Board Committees meetings. Detailed Board papers are prepared and circulated in advance for each meeting. This is to give Directors sufficient time to review the matters to be discussed so that discussions can be more meaningful and productive. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The Board papers include sufficient information on financial, operating and corporate issues for Directors to decide on issues presented at the Board and Board Committee meetings.

Following the disposal of its key operating subsidiary, ayondo Markets Limited, and the insolvency proceedings of its overseas subsidiaries in Switzerland and Germany, namely, ayondo Holding AG and ayondo GmbH, the Group has ceased to have any operations.

As and when required, information, documents and materials, such as reports on the financials of the Group, are provided to the Directors to enable them to make informed decisions and discharge their duties and responsibilities.

Provision 1.7 **Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.**

During FY2019, the Board has separate and independent access to the Management and the external auditors at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the then Management team. Presently, Mr Dominic Anthony Morris, the Interim CEO of the Company, reports directly to the Board of Directors.

In addition, the Directors, either individually or as a group, are provided with direct access to the Group's independent professional advisors, as and when necessary, to discharge his/her responsibilities effectively. In addition, the

Directors, either individually or as a group, may seek separate independent professional advice concerning any aspect of the Group's affairs or in respect of his fiduciary or other duties, where necessary. The cost of all such professional advice is borne by the Company.

The Board also has separate and independent access to the Company Secretary. The Company Secretary attends to corporate secretariat administration matters of the Company and monitors and advises on corporate governance matters, and on compliance with the Constitution, Companies Act, and the Catalist Rules. The Company Secretary (or her representatives) attends all meetings of the Board and Board Committees and facilitates the effective functioning of the Board and Board Committees in accordance with their terms of reference and best practices. The appointment and the removal of the Company Secretary are subject to the Board's approval.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 **An "independent" director" is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.**

The NC is responsible for reviewing the independence of each Director based on the guidelines set out in both the Code and the Catalist Rules, to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. The NC conducts the review annually and requires each Independent Director to submit a confirmation of independence based on the guidelines provided in the Code.

Based on the confirmation of independence submitted by the Independent Directors and the results of the NC's review, the NC was of the view that the Independent Directors, namely Mr Foong Daw Ching and Ms Lam Shiao Ning are independent in accordance with both the Code and the Catalist Rules.

In view of the above, no individual or small group of individuals dominates the Board's decision making.

Provision 2.2 **Independent directors make up a majority of the Board where the Chairman is not independent.**

As at the end of FY2019, the Board consisted of three (3) Non-Executive Directors (one of whom was the then Non-Executive Chairman) and two (2) Independent Directors. Mr Thomas Winkler, who was the Non-Executive Chairman of the Board, resigned and ceased to be a Director of the Company effective on 31 December 2019.

Notwithstanding that, as at the end of FY2019, the Independent Directors do not make up majority of the Board where the Chairman is not an independent director, the Board is of the view that there is a strong and independent element on the Board which is capable of exercising objective judgement on corporate affairs independently and constructively challenging key decisions, taking into consideration the long-term interests of the Group and the shareholders of the Company ("**Shareholders**"). Further, all the three (3) Board Committees are chaired by Independent Directors, and no individual or small group of individuals dominate the Board's decision-making process. Following the cessation of Mr Thomas Winkler as the Non-Executive Chairman on 31 December 2019, the Independent Directors comprise 50.0% of the Board.

As at the date of this Annual Report, the Board comprises four (4) members, of whom two (2) are Non-Executive Directors and two (2) are Independent Directors, as follows:

Name of Directors	
Foo Fatt Kah	Non-Executive Director
Tse Man Kit Gilbert	Non-Executive Director
Foong Daw Ching	Lead Independent Director
Lam Shiao Ning	Independent Director

Please refer to Table A set out on pages 39 to 42 of this Annual Report for the composition of the Board and Board Committees.

Provision 2.3 **Non-executive directors make up a majority of the Board**.

As at the end of FY2019, the Board consisted of five (5) members, all of whom are Non-Executive Directors (of whom, two are Independent Directors).

Following the cessation of Mr Thomas Winkler on 31 December 2019, and as at the date of this Annual Report, the Board comprises four (4) members, all of whom are Non-Executive Directors (of whom, two (2) are Independent Directors).

Provision 2.4 **The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.**

The Board currently comprises business leaders and professionals with diverse backgrounds such as legal, accounting, finance, business management and experience, industry knowledge and strategic planning. The members of the Board with the range of business management and professional experience, knowledge and expertise, provide the core competencies and objective perspective on the Group's business and direction. Information on the individual Directors' academic, professional qualifications, background and other appointments are set out in the "Board of Directors" section on pages 6 to 7 of this Annual Report.

The NC annually reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

Having considered the current scope and nature of the Group's operations, the Board and NC have reviewed and are satisfied that the current size and composition of the Board are appropriate for the Group to facilitate independent and effective decision-making.

The Board recognises the benefits of having a diverse board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of Board deliberations. While the Board and NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and enable it to make decisions in the best interests of the Company. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

Provision 2.5 **Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

The Non-Executive Directors and the Independent Directors participate actively in developing strategies and in reviewing the performance of the Group. During FY2019, the Group's Non-Executive Directors and the Independent Directors held periodic conference calls and/or met regularly to discuss the Group's affairs without the presence of the Management.

Where necessary, the Lead Independent Director will chair meetings (without involvement of the Management) to discuss and review the performance of the Management in meeting, agreed goals and objectives of the Group and monitor the reporting of performance which subsequently provide feedback to the Board to aid and facilitate well-balanced viewpoints on the Board.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 **The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.**

The Board recognises that best practices of corporate governance advocate that the Chairman of the Board and the CEO should in principle be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.
Mr Thomas Winkler, the then Non-Executive Chairman of the Board (ceased on 31 December 2019), was responsible for, *inter alia*, (a) leading the Board to ensure its effectiveness on all aspects of its role; (b) establishing the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) promoting a culture of openness and active discussion at Board level; and (d) promoting high standards of corporate governance, and the daily operations of the Group is continued overseen by the CEO.

Following the cessation of Mr Robert Lempka as the Executive Director and CEO of the Company on 22 January 2019, Mr Richard Mark Street was appointed as Interim CEO of the Company on 22 January 2019 and subsequently resigned effective on 31 August 2019. During their terms of office as CEO and interim CEO respectively, they were responsible for the Group's strategic direction and the overall day-to-day management of the Group.

On 15 October 2019, Mr Dominic Anthony Morris was appointed as the Chief Technology Officer and Interim CEO of the Company. He is responsible for the Group's technology system and infrastructure and concurrently manages and oversees the overall business and activities of the Group on an interim basis, until a full-time CEO is appointed.

The Board ensured a clear division of roles and responsibilities between the Chairman and the CEO, notwithstanding the turnover in the roles of CEO and Chairman experienced by the Company in FY2019. The then Non-Executive Chairman was not related to the (a) former CEO, (b) former Interim CEO and (c) current Interim CEO in FY2019.

Provision 3.2 **The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.**

All major proposals and decisions made by the Chairman and CEO are discussed and reviewed by the Board with the assistance of the Board Committees. As each of the ARC, NC and RC consists of a majority of Independent Directors and all the three Board Committees are chaired by Independent Directors, the Board believes that there are strong and independent elements and adequate safeguards in place to ensure the decision-making process of the Group would not be hindered. In addition, with the active participation of Directors at Board and Board Committees meetings, the Board is satisfied that the current arrangement provides sufficient checks and balances to ensure that no one individual member of the Board holds a considerable concentration of power and no individual or small group of individuals dominates the Board's decision making, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Provision 3.3 **The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.**

The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Foong Daw Ching is the Lead Independent Director of the Company.

The Lead Independent Director avails himself to address Shareholders' concerns or issues for which communication through the normal channels with the Non-Executive Chairman, the CEO and/or the CFO has not resolved or for which such communication is inappropriate, and acts as a counterbalance in the decision-making process. Where necessary, the Lead Independent Director will chair meetings without involvement of the Executive Director(s) and provide feedback to the Non-Executive Chairman, to aid and facilitate well-balanced viewpoints on the Board.

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 **The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:**

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
(c) the review of training and professional development programmes for the Board and its directors; and
(d) the appointment and re-appointment of directors (including alternate directors, if any).

The NC is established and governed by its terms of reference which are approved by the Board. Please refer to Table A set out on pages 39 to 42 of this Annual Report for the composition and functions of the NC, which includes the above-listed functions, based on the terms of reference of the NC.

Provision 4.2 **The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.**

The NC currently comprises of three (3) members, namely Ms Lam Shiao Ning (Chairman), Mr Foong Daw Ching and Mr Tse Man Kit Gilbert, two (2) of whom are Independent Directors and one (1) is a Non-Executive Director. The Lead Independent Director, Mr Foong Daw Ching, is a member of the NC.

Provision 4.3 **The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.**

All selection, appointment and re-appointment of Directors are reviewed and proposed/recommended by the NC.

In the search, nomination and selection process for new Directors, the NC identifies the key attributes that an incoming director should have, based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes and composition, and support the Group's business activities or strategies. Potential candidates will first be drawn from contacts and networks of existing Directors. If candidates identified from this process are not suitable, the NC may seek assistance from external search consultants for the selection of potential candidates.

Thereafter, the NC with the assistance of the Management, taps on the resources of directors' personal contacts and recommendations of potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, recommendations from the SID will be considered.

Interviews are set up with potential candidates for NC members to assess their suitability, before submitting the appropriate recommendations to the Board for approval. The Board will consider each candidate's ability to add value to the Group's business in line with its strategic objectives. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).

All Directors submit themselves for re-nomination and re-election at least once every three years. In accordance with the Company's Constitution, one-third of the Directors (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**") of the Company. Any Director appointed by the Board during the financial year shall hold office only until the next AGM. A retiring Director shall be eligible for re-election.

The NC has recommended to the Board that Mr Foong Daw Ching and Mr Tse Man Kit Gilbert retire pursuant to Regulations 117 and 122 of the Company's Constitution respectively, for approval by the Shareholders at the forthcoming AGM of the Company. The NC makes recommendations to the Board on all Board appointments and on the composition of Executive and Independent Directors of the Board. The NC is also charged with re-nominating directors who are retiring by rotation as well as determining annually whether or not a director is independent. Please refer to Table C set out on pages 44 to 52 of the Annual Report for information of directors seeking re-election at the forthcoming AGM.

The NC also reviews the succession plan for directors, and is responsible for assessing candidates as potential new members of the Board. The Company identifies and prepares suitable candidates for key management positions by mentoring and training these candidates.

Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination as Director.

Provision 4.4 **The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.**

The NC is responsible for determining annually the independence of Directors, taking into consideration the circumstances set forth in the Catalist Rules and the Code. The relevant factors are set out under Principle 2 of the Code above.

The Directors are aware of the disclosure obligations to disclose to the Board their relationships with the Company, its related corporations, its substantial Shareholders or its officers, if any, which may affect their independence.

Following its annual review, the NC is of the view that the two (2) Independent Directors on the Board, namely, Mr Foong Daw Ching and Ms Lam Shiao Ning are independent.

Provision 4.5 **The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.**

Newly appointed Directors with no prior experience as a director of an issuer listed on the SGX-ST will undergo and complete the training programmes conducted by SID, as prescribed by the SGX-ST, in relation to the roles and responsibilities of a director of a listed company in Singapore within one year from the date of his appointment to the Board as well as in other relevant areas, at the Company's expense.

The NC noted that Mr Tse Man Kit Gilbert, who was appointed as the Non-Executive Director of the Company in FY2019, had no prior experience as a director of a public-listed company in Singapore and had arranged for him to attend the Mandatory Training upon his appointment as Non-Executive Director. Mr Tse Man Kit Gilbert has completed the Mandatory Training within the stipulated deadline as prescribed in the Catalist Rules. The NC is mindful that such training programme prescribed by the SGX-ST for a newly appointed director with no prior experience as director of a public-listed company in Singapore is mandatory under the Catalist Rules, and will ensure the newly appointed director has detailed knowledge of his fiduciary and statutory duties and responsibilities so as to perform his duties effectively. The NC has equally noted that Directors should seek additional training to further their skills and keep abreast of new developments from time to time so as to enable them to perform their duties effectively.

The NC takes into consideration the other directorships and principal commitments of each director, and whether such directorships and principal commitments will constrain the Director in setting aside sufficient time and attention to the Company's affairs. All Directors declare their board representations as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as directors of the Company. The information on each Directors' other directorships and other principal commitments is set out in page 20 of this Annual Report.

In accessing the capacity of the Directors, the NC takes into consideration the expected and/or competing time commitments of the Directors, size and composition of the Board, and nature and scope of the Group's operations and size.

The NC is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company Board representations and their other principal commitments. Currently, the NC does not determine the maximum number of listed company Board representations which a Director may hold as the NC is of the view that each Director is able to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. As such, the Board and the NC do not propose to set the maximum number of listed company board representations any Director may hold until such a need arises. The Board will consider this issue on a case-by-case basis.

A list of the directorships in other listed companies and other principal commitments of each current Director is set out below:

<table>
<tr><th rowspan="2">Name of Directors</th><th colspan="2">Directorships in other listed companies and other principal commitments</th></tr>
<tr><th>Present</th><th>Past
(for the last 5 years)</th></tr>
<tr><td>Foo Fatt Kah
(Non-Executive Director)</td><td>Directorships:
• Anchor Resources Limited
• PEC Ltd.
• Variscan Mines Ltd

Other Principal Commitments:
• Luminor Capital Pte Ltd – Managing Director</td><td>Directorships:
Nil

Other Principal Commitments:
Nil</td></tr>
<tr><td>Tse Man Kit Gilbert
(Non-Executive Director)</td><td>Directorships:
Nil

Other Principal Commitments:
• Guangzhou Lianggang Investment Consulting Co., Ltd. – Advisor on Corporate Strategy
• StormHarbour Securities (HK) Ltd – Advisor on Asset Management Business</td><td>Directorships:
Nil

Other Principal Commitments:
• Guangzhou Lianggang Investment Consulting Co., Ltd. – Chief Executive Officer</td></tr>
<tr><td>Foong Daw Ching
(Lead Independent Director)</td><td>Directorships:
• Starland Holdings Limited
• Suntar Eco-City Limited
• Travelite Holdings Ltd

Other Principal Commitments:
Nil</td><td>Directorships:
Nil

Other Principal Commitments:
Nil</td></tr>
<tr><td>Lam Shiao Ning
(Independent Director)</td><td>Directorships:
Nil

Other Principal Commitments:
• Rubicon Law LLC – Managing Director</td><td>Directorships:
Nil

Other Principal Commitments:
• Drew & Napier LLC - Partner
• Oon & Bazul LLP – Partner</td></tr>
</table>

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 **The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.**

The NC assesses the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board on an annual basis. Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria. The Board and Board Committees' performance is judged on the basis of accountability as a whole, rather than strict definitive financial performance criteria, as it would be difficult to apply specific financial performance criteria such as the Company's share price performance, to evaluate the Board and Board Committees. The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Directors.

Provision 5.2 **The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.**

The NC had conducted the Board's performance evaluation as a whole for FY2019 together with the performance evaluation of the ARC, RC and NC. On the recommendation of the NC, the Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole on an annual basis. The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas:-

1. Board Composition and Structure;
2. Conduct of Meetings;
3. Corporate Strategy and Planning;
4. Risk Management and Internal Control;
5. Measuring and Monitoring Performance;
6. Training and Recruitment;
7. Compensation;
8. Financial Reporting;
9. Board Committees; and
10. Communicating with Shareholders.

The abovementioned performance criteria do not change from year to year, unless it is deemed necessary by the Board.

All Directors have completed the Board and Board Committees' evaluation forms mentioned above. The summary of the Board and Board Committee's evaluation was circulated to the members of the NC for their review. Areas for improvement were suggested by the NC before submitting to the Board for discussion.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance and/or re-nomination as a Director.
The NC also conducted assessment of the individual Directors. All Directors have completed the individual assessment forms with regard to the other Directors on the Board. The summary of the Directors' individual assessment was circulated to the members of NC for their review.

The assessment parameters for each Director include their attendance at Board and related activities, adequacy of preparation for board meetings, participation in Board discussion, ability to make informed business decisions, assessment of the strengths and weaknesses of the Company and how decisions will impact them, ensure strategies, budgets and business plans are compatible with vision and strategy, reading and interpreting financial reports, inquiry of information to make informed judgments/assessments, ability to articulate thoughts, opinions, rationale, and points in a clear, concise and logical manner, compliance with company policies and procedures, maintenance of independence, disclosure of related party transactions, performance in respect of specific tasks delegated to him.

The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2019.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 **The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:**

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The RC oversees executive remuneration and development in the Company with the goal of building a committed management team. The RC reviews and recommends to the Board a general framework of remuneration for the Board, and the specific framework of remuneration packages for each Director, CEO (if CEO is not a director) and key management personnel, and submit such recommendations for endorsement by the entire Board.

The RC reviews all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

Please refer to Table A set out on pages 39 to 42 of the Annual Report for the composition and functions of the RC.

Provision 6.2 **The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.**

The RC currently comprises three (3) members, namely, Mr Foong Daw Ching (Chairman), Ms Lam Shiao Ning and Mr Tse Man Kit Gilbert, two (2) of whom are Independent Directors and one (1) is a Non-Executive Director.

Provision 6.3 **The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.**

The RC reviews and considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

Each member of the RC shall abstain from reviewing and approving any remuneration, compensation or any form of benefit to be granted to him/her or someone related to him/her.

Provision 6.4 **The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.**

No remuneration consultants were engaged by the Company during FY2019.

The RC and the Board were of the view that the Company does not need to engage remuneration consultants as the remuneration for Executive Director(s) and the key management personnel are based on their respective existing service agreements.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 **A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.**

In reviewing and determining the remuneration packages of the Executive Director and the key management personnel of the Group, the RC takes into consideration the Executive Director's and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of Shareholders.

During FY2019, the Company experienced substantial Executive Directors and key management team turnover following the disposal of its key operating subsidiary, ayondo Markets Limited, and the insolvency proceedings of its overseas subsidiaries in Switzerland and Germany, namely ayondo Holding AG and ayondo GmbH. Further details of the aforementioned cessations are set out in the Company's announcements released on SGXNet during FY2019.

Provision 7.2 **The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

The Independent Directors and Non-Executive Directors do not have service agreements with the Company. They are paid Directors' fees, being a basic fee and additional fees for serving on any of the Board Committees. The Board recommends payment of such Directors' fees appropriate to the level of their contributions, taking into account factors such as the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees of the Independent Directors and Non-Executive Directors are subject to approval by Shareholders at each AGM thereby ensuring that their independence is not compromised.

Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him/her.

Please refer to Table D set out on pages 52 to 53 for the percentage breakdown of remuneration of the Directors for FY2019.

Provision 7.3 **Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.**

The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders.

To remain competitive, the Company aims to benchmark the Executive Directors and the key management personnel's compensation with that of similar performing companies, taking into consideration the individual's performance, qualifications and experience as well as the financial performance of the Company.

Following the cessation of Mr Robert Lempka as the Executive Director and CEO of the Company on 22 January 2019, there were no Executive Directors in the Company for FY2019.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 **The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:**

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders.

The remuneration policy adopted by the Group for Executive Directors and key management personnel comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component is in the form of a bonus and depends on the relative performance of the Company and the performance of each individual Executive Director and key management personnel, allowing for the alignment of their interests with that of Shareholders. The Executive Director(s) do not receive additional Directors' fees.

In reviewing and determining the remuneration packages of the Executive Directors and the key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of Shareholders.

The performance criteria used to assess the remuneration of Executive Director(s) and key management personnel is based on the profitability of the Group, leadership, as well as the Executive Director's and key management personnel's compliance in all audit matters. Save for the ayondo's 2018 Employee Share Option Scheme ("**2018 ayondo ESOS**"), there are currently no long-term incentives for the Executive Director and key management personnel. The Executive Director's and key management personnel's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board.

For FY2019, there was no payment of performance bonus to the Executive Director and key management team. The RC has reviewed the relevant performance conditions of the Executive Director and key management personnel and noted that not all conditions were met for FY2019 in view of the Group's financial situation in FY2019, along with the departures of the Executive Director(s) and key management personnel during FY2019.

The Independent Directors and Non-Executive Directors receive Directors' fees, being a basic fee and additional fees for serving on any of the Board Committees. The Board recommends payment of such Directors' fees appropriate to the level of their contributions, taking into account factors such as the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees are recommended by the RC and endorsed by the Board for approval by Shareholders of the Company at each AGM. Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him/her.

Please refer to Table D set out on pages 52 to 53 for the percentage breakdown of remuneration of the Directors for FY2019. Disclosure of remuneration of Key Management Personnel for FY2019 is not available due to unavailability of information.

Given the general sensitivity and confidentiality of remuneration matters, the Company is not disclosing the exact details of the remuneration of each individual Director of the Company. Such disclosure of remuneration of each Director in a highly competitive market for talents may potentially result in staff movement.

However, the Company adopts the disclosure of remuneration in bands of S$250,000 which would provide a good overview and is informative of the remuneration of each Director.

Disclosure of remuneration of Key Management Personnel for FY2019 is not available due to unavailability of information.

Provision 8.2 **The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.**

There is no employee who is a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or substantial shareholder of the Company, whose remuneration for FY2019 exceeds S$100,000 during FY2019.

Provision 8.3 **The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.**

Please refer to the Company's disclosures under Provision 8.1 for the Group's policy and criteria for setting remuneration, and Table D set out on pages 52 to 53 for the remuneration details of the Directors. Disclosure of remuneration of Key Management Personnel for FY2019 is not available due to unavailability of information.

Save for the 2018 ayondo ESOS, there are currently no long-term incentives for the Executive Director and key management personnel.

The 2018 ayondo ESOS was adopted pursuant to written resolutions passed by the then Shareholders on 23 February 2018. The 2018 ayondo ESOS is administered by the RC, and contemplates the award of options to subscribe for shares of the Company at a certain subscription price, when or after prescribed performance targets are achieved by the selected employees of the Group.

The RC reviews the proposal made by the Management and submits its recommendations to the Board for endorsement.

No options have been granted under the 2018 ayondo ESOS since its implementation in FY2018.

The Executive Director's and key management personnel's short-term incentives (namely the performance-related variable component of their remuneration package) are recommended by the RC and approved by the

Board. For FY2019, there was no payment of performance bonus to the Executive Director and key management team.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 **The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.**

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks. While acknowledging their responsibilities for the system of internal controls, the Board is aware that such a system is inherently designed to manage, rather than eliminate risks and therefore cannot provide an absolute assurance in this regard, or absolute assurance against occurrence of material errors, losses, poor judgement in decision-making, human errors, fraud or other irregularities.

The Board has not set up a separate Board Risk Committee as it has assessed that given the current composition of the Board and management, it would be more efficient of this function to be subsumed under the Audit and Risk Committee at present.

Provision 9.2 **The Board requires and discloses in the company's annual report that it has received assurance from:**

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board has received assurance from the Interim CEO that in respect of FY2019, save for the matters highlighted under paragraph 2 of the section titled "*Other Corporate Governance Matters - Internal Control Matters*" on page 36 of this Annual Report:

(a) The financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) The Company's risk management and internal control systems are adequate and effective.

Following the cessation of the last Chief Financial Officer of the Company, the ARC and the Board have yet to appoint a replacement Chief Financial Officer, taking into consideration that the Group has ceased to have any operation since the disposal of its key operating subsidiary, ayondo Markets Limited, and the insolvency proceedings of its overseas subsidiaries, namely, ayondo Holding AG and ayondo GmbH in August 2019, and the financial conditions of the Group. In the meantime, the financial and accounting-related functions of the Company has been outsourced to Starlight Advisory Pte. Ltd., to provide assistance to the ARC and the Interim CEO on such matters.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

<u>**Provision 10.1**</u> **The duties of the AC include:**

(a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**

The ARC meets at least on a quarterly basis to review the quarterly and full year results announcements of the Group and the audited annual financial statements, SGXNET announcements and all related disclosures to shareholders before recommending the same to the Board for approval. In the process, the ARC reviews the basis and reasoning of the Management in the preparation of the financial statements, critical accounting policies and any significant changes that would have an impact on the Company’s financials.

In the review of the financial statements for FY2019, the ARC has discussed with the Management the accounting practices adopted for the financial year, including accounting policies and accounting estimates.

(b) **reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**

The ARC evaluates on a yearly basis the adequacy and effectiveness of the internal controls including financial, operational, compliance and information technology controls and regulatory compliance of the Group.

Presently, the internal controls and risk management system still remain in place and sufficient for the Group, given that the Group has ceased to have any operations since the disposal of its key operating subsidiary, ayondo Markets Limited and the insolvency proceedings of its overseas subsidiaries, namely ayondo Holding AG and ayondo GmbH in August 2019, and until a new business is injected into the Company, there are minimal business and internal controls risks arising to be dealt with.

(c) **reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**

The ARC reviews on a yearly basis the assurance from the CEO and other key management personnel (if any) on the financial records and financial statements.

(d) **making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**

The ARC reviews the scope and results of the audit carried by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors.

The aggregate amount of fees paid or payable to the external auditor of the Company, broken down into audit and non-audit services during FY2019 are as follows:

Audit fees	:	S$150,000
Non-audit fees	:	Nil

The ARC recommends to the Board the proposals to be made to the Shareholders on the appointment, re-appointment and removal of External Auditors, and to approve the remuneration and terms of engagement of the External Auditors.

The ARC undertook the review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them, if any.

In March FY2020, the Company changed its auditor from Ernst & Young LLP to Foo Kon Tan LLP for the audit of the financial statements for the financial year beginning 1 January 2019. Foo Kon Tan LLP did not provide any non-audit services to the Group since the date of its appointment.

The ARC is of the view that Messrs Foo Kon Tan LLP is suitable for re-appointment and it has accordingly recommended to the Board that Messrs Foo Kon Tan LLP be nominated for re-appointment as external auditor of the Company at the forthcoming AGM.

The Company has complied with Rule 712 and 715 read with 716 of the Catalist Rule in appointing its audit firms.

(e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**

The ARC recognises the importance of reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit (where applicable). The ARC reviews the scope of the External Auditors' audit plan and the effectiveness of the results from the independent audit. The ARC also reviews the independence and objectivity of the External Auditors as well as the Group's compliance with the Catalist Rules, the Code, as well as interested person transactions and whistleblowing reports, if any.

(f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.**

The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The Group has established a whistle-blowing policy which provides a channel for employees of the Group and external parties to raise their concerns about possible improprieties in matters of financial reporting or other matters to the ARC Chairman, in good faith and in confidence.

The procedures for whistle-blowing have been in place which are accessible by the employees of the Company and its subsidiaries where they can call or email the ARC Chairman directly on all matters. The follow-up procedures regarding matters raised are also stated and whistle-blowers are assured that all actions in good faith will not affect them in their work and staff appraisals.

Please refer to Table A set out on pages 39 to 42 of this Annual Report for the composition and functions of the ARC, based on the terms of reference.

Provision 10.2 **The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.**

The ARC comprises of three (3) members, namely, Mr Foong Daw Ching (Chairman), Dr Foo Fatt Kah and Ms Lam Shiao Ning, two (2) of whom are Independent Directors and one (1) is a Non-Executive Director. The Board is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board. The ARC meets at least four times a year.

The ARC Chairman, Mr Foong Daw Ching, and the members of the ARC have relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement. They are continually kept abreast of the latest changes to accounting standards and financial reporting to ensure the Company's financial statements properly reflect the results of its business activities.

Provision 10.3 **The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.**

None of the ARC members were former partners or director of the Company's existing auditing firms within the previous two years, and none of the ARC members hold any financial interest in the Company's current auditing firm.

Provision 10.4 **The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.**

The ARC, approve the appointment, termination, evaluation and the fees of the internal auditors of the Company. If appointed, the internal auditors would report primarily to the Chairman of the ARC. The internal auditors would be granted unfettered access to all the Group's documents, records, properties and personnel, including the ARC, and accordingly would have appropriate standing within the Group to perform its functions effectively and objectively.

In prior years, the Group had outsourced the internal audit function to PriceWaterhouseCoopers Risk Services Pte Ltd. For FY2019, the Board and ARC have deliberated and agreed that, as the Group has ceased to have any operations, it would not be meaningful to conduct an internal audit engagement in FY2019. The ARC is cognisant that there remain key risks at the head office level which would require sufficient internal controls, including controls over expense approval, cash disbursements, and investments considerations. The ARC and Board together with the Interim CEO will be taking direct oversight of this areas and the Company will consider the resumption of performing internal audit engagement following the resumption of operating activities.
As part of the statutory audit of the financial statements of the Company, the external auditors of the Company report to the ARC on any control observations noted during the course of the audit and the auditors' recommendations.

Provision 10.5 **The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.**

During FY2019, the ARC met once with the then External Auditors (Ernst & Young LLP) and the then Internal Auditors (PriceWaterhouseCoopers Risk Services Pte. Ltd.), without the presence of the Management to review any related matters that might have arisen in respect of FY2018.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 **The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.**

All Shareholders will receive the Company's annual report, circulars and notice of AGM or general meetings. At general meetings, Shareholders are given the opportunity to voice their views and direct their questions to the Directors and the Management relating to the Company's business or performance. The Chairpersons of the ARC, NC and RC, as well as the External Auditors, will also be present to assist the Directors in addressing any relevant queries raised by Shareholders.

Shareholders are also informed of the voting procedures prior to the commencement of voting by poll at such general meetings.

Provision 11.2 **The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.**

The Company has separate resolutions for each distinct issue tabled for Shareholders' approval at general meetings and they are generally not "bundled" or made inter-conditional on each other, including resolutions on the re-election of Directors. This is to ensure that Shareholders are given the right to express their views and exercise their voting rights on each resolution separately. Where the resolutions are "bundled", the reasons and material implications for doing so will be provided in the annual report and related documents, including the notice of general meeting.

Provision 11.3 **All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report**.

The Chairpersons of the ARC, RC and NC have been and will be present at the AGMs and EGMs to answer queries raised by Shareholders at the AGMs and EGMs. The External Auditors are invited to attend the AGMs to address any Shareholders' queries during general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the Shareholders' General Meetings held during FY2019 along with the record of attendance of each Director during their respective terms as Directors and members of the respective Board Committees of the Company are set out in Table B at page 43 of this Annual Report.

Provision 11.4 **The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.**

Shareholders who are individuals may appoint up to two proxies to attend and vote on their behalf; and (ii) Shareholders which are intermediaries (such as banks and capital markets services licence holders) providing custodial services may appoint more than two proxies to attend and vote on their behalf provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such shareholder, should Shareholders be unable to personally attend the meetings.

The Company's constitution does not allow for absentia voting and the Company does not intend to implement it until security, integrity of information and other pertinent issues are resolved.

Provision 11.5 **The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.**

The proceedings of the AGM and extraordinary general meeting (if any) of the Company are properly recorded and detailed in the minutes of general meetings including the substantial and relevant comments or queries raised by Shareholders relating to the agenda of the general meetings and responses from the Board and Management.

Presently, the Company has no dedicated investor relations team and has no corporate website, and as such it does not publish the minutes of general meetings on its corporate website. These minutes will be made available to the Shareholders upon their written request.

Provision 11.6 **The company has a dividend policy and communicates it to shareholders.**

The Company does not have a fixed dividend policy at present. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

As the Company was in a loss-making position in FY2019, the Board has not declared any dividend for FY2019.

Engagement With Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 **The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.**

The Company primarily engages with Shareholders through scheduled general meetings or announcements on major developments of the Group via SGXNET from time to time.

General meeting is the principal opportunity for both the Directors and Shareholders to exchange views on the Group's business. The Board encourages Shareholders' participation at the Company's general meetings to gather their view and address concerns.

Provision 12.2 **The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.**

Presently, the Company does not have a formal investor relations policy or protocol in place or a dedicated investor relations team as the Board is of the view that the current communication channels are sufficient and cost-effective. However, the Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Act, it is the Board's policy to ensure that all Shareholders are informed on a timely basis of every significant development that has an impact on the Group through the SGXNET.

The Company also does not practice selective disclosure of material information. The Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on a timely basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act. The Company's quarterly financial results, circulars and annual reports are announced via the SGXNET within the stipulated period.
The Company sends Shareholders notices of AGMs and annual report within the prescribed deadlines prior to the AGMs. The Board encourages Shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNET throughout the financial year. Similarly, the Company sends Shareholders the circulars and notices of EGMs within the prescribed deadlines prior to the EGMs. Also, the Company will publish its notices of general meetings (AGMs/EGMs) in the local newspapers whenever it is required by the Companies Act and/or Catalist Rules.

Shareholders with questions may also contact the Company by mail to the Company's registered office address as stated in the Corporate Information section of this Annual Report.

Provision 12.3 **The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.**

Please refer to the Group's practices as set out under Provision 12.2.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 **The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.**

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, and etc, in order to achieve sustainable business goals. The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectations and goals.

Non-Executive Directors and Independent Directors meet or speak with Shareholders, primarily through general meetings of Shareholders, to gather their views and address Shareholders' concerns.

Provision 13.2 **The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.**

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, suppliers, regulators, community, shareholders and investors.

During FY2019, the Company had engaged its stakeholders, in particular shareholders and regulators through meetings, company announcements via SGXNET and phone calls, to keep them updated as to the developments affecting the Group.

Provision 13.3 **The company maintains a current corporate website to communicate and engage with stakeholders.**

Presently, following the disposal of its key operating subsidiary, ayondo Markets Limited, the insolvency proceedings of its overseas subsidiaries, namely, ayondo Holding AG and ayondo GmbH, whereupon the Company ceased to have any operations and given the financial condition of the Group, the Company no longer maintains its corporate website.

However, stakeholders can contact the Company by mail to the Company's registered office address as stated in the Corporate Information section of this Annual Report.

OTHER CORPORATE GOVERNANCE MATTERS

1. Material Contracts

[Catalist Rule 1204(8)]

As set out in the Company's announcements dated 22 August 2019 and 4 December 2019, and the Company's circular dated 17 February 2020 ("**CN Circular**"), the Company had entered into, among others, a convertible note agreement with Golden Nugget Jinzhuan Limited ("**GN**") (the "**CN3**"), pursuant to which the Company agreed to issue, and GN agreed to subscribe for convertible notes of up to S$8.1 million in principal amount (the "**CN3 Agreement**") , subject to the terms and conditions of such agreement. The salient terms of the CN3 Agreement are summarised as follows:

Interest: The CN3 shall bear simple interest at the maximum rate of 12% per annum, accruing from the date of issue of each relevant tranche up to the date such CN3 is repaid or converted. The accrued interest on the CN3 will be payable upon the CN3 Maturity Date (as defined below), or on the date of the conversion, redemption or repayment of the CN3 (as the case may be).

Maturity Date: Each tranche of the CN3 will mature on the date falling three (3) years from the date of issue of the respective tranches of CN3, or such date as GN may agree with the Company in writing (the "**CN3 Maturity Date**")

Repayment of the Notes: If GN does not exercise its option to convert the CN3 on the CN3 Maturity Date, the principal amount (and accrued interest) of each tranche of CN3 shall be repaid by the Company within thirty (30) business days after the relevant CN3 Maturity Date.

Save for the above, there is no material contract entered into by the Company or its subsidiaries involving the interests of the then Executive Director and CEO or any Director or controlling shareholder of the Company, either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

2. Internal Control Matters

[Catalist Rule 1204(10)]

Following the disposal of its key operating subsidiary, ayondo Markets Limited, and the insolvency proceedings of its overseas subsidiaries in Switzerland and Germany, namely, ayondo Holding AG and ayondo GmbH, the Group has ceased to have any operations.

As at the date of this Annual Report, the feedback received from the external auditors, the reviews performed by the Interim CEO and the various Board Committees, the Board, with the concurrence of the ARC, is of the view that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were reasonably adequate and effective as at 31 December 2019. Internal controls and risk management systems still remain in place and sufficient for the Group, given that the Group has ceased to have any operations, until a new business is injected into the Company, there are minimal business and internal controls risks arising to be dealt with.

3. Interested Person Transactions

[Catalist Rule 1204(17)]

The Company is required to comply with the requisite rules under Chapter 9 of the Catalist Rule issued by SGX-ST for interested person transactions. To ensure compliance with Chapter 9, the Company has implemented a set of procedures for the identification of interested persons and the recording of interested person transactions to be reviewed by the ARC. The main objective is to ensure that all interested person transactions are conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company monitors all its interested person transactions which are subject to review by the ARC on a quarterly basis, if any. In addition, such interested person transactions will also be subject to shareholders' approval, if required under Chapter 9 of the Catalist Rules.

The Company has not entered into any interested person transaction with aggregate value of more than S$100,000 during FY2019 pursuant to Rule 907 of the Catalist Rules.

4. Dealings in Securities

[Catalist Rule 1204(19)]

In compliance with Rule 1204(19), the Group has adopted a Code of Best Practice to provide guidance to the Company, its Directors and officers and all staff of the Group with regards to dealing in the Company's securities.

The Company prohibits its Directors, officers and all staff of the Group and their associates from dealing in the Company's securities on short-term considerations and when they are in possession of price-sensitive information which is not publicly available. They are not allowed to deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and one month before the announcement of the Company's full year financial statements, and ending on the date of announcement of those results.

5. Non-sponsor Fees

[Catalist Rule 1204(21)]

No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited Ltd. in FY2019

6. Update on Use of Proceeds

[Catalist Rule 1204(22)]

As set out in the Company's announcements dated 22 August 2019 and 4 December 2019, and the Company's circular dated 17 February 2020 ("**CN Circular**"), the Company had entered into the following agreements dated 22 August 2019:

- a convertible note agreement with Golden Nugget Jinzhuan Limited ("**GN**") pursuant to which the Company agreed to issue, and GN agreed to subscribe for a convertible note of S$1,122,620 in principal amount ("**Proposed CN1 Issue**");
- a convertible note agreement with Mr Mamoru Taniya, pursuant to which the Company agreed to issue, and Mr Mamoru Taniya agreed to subscribe for a convertible note of S$675,000 in principal amount ("**Proposed CN2 Issue**"); and
- a convertible note agreement with GN pursuant to which the Company agreed to issue, and GN agreed to subscribe for convertible notes of up to S$8.1 million in principal amount, subject to the terms and conditions of such agreement ("**Proposed CN3 Issue**").

(A) <u>Use of proceeds from Proposed CN1 Issue and Proposed CN2 Issue</u>

The Proposed CN1 Issue and Proposed CN2 Issue were to replace loans that have been extended to the Company and the underlying principal amounts have already been fully applied to meet the Group's general working capital requirements, including payment of professional fees, salaries, and compliance costs and expenses.

(B) Use of proceeds from Proposed CN3 Issue

As disclosed in the CN Circular, the Company intends to utilise the aggregate proceeds from the Proposed CN3 Issue of up to S$8.1 million in the following proportions:

Use of Proceeds	Percentage Allocation as disclosed in the CN Circular (%)
Repayment of loans and outstanding payments owing by the Group	30
Payments for the costs and expenses relating to the Notes	0.5
General working capital, including • Compliance costs and expenses • Salary of employee	39.5
Business expansion through investments, acquisitions and joint ventures	30
Total	**100**

The Company had received the payment of the subscription monies for tranche 1 of CN3, totalling S$675,000. As set out in the Company's announcement dated 1 June 2020, the Company intends to utilise the proceeds from the issue of tranche 1 of CN3, for the repayment of loans and outstanding payments owing by the Company and general working capital purposes, including compliance expenses and salary of employee.

The Company will make periodic announcements on the utilisation of the proceeds of the Proposed CN3 Issue as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in its interim and full-year financial results announcements issued under Rule 705 of the Catalist Rules and its annual report. Where the proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

7. Sustainability Reporting

[Catalist Rule 711A]

As set out in the Company's announcements dated 11 June 2020 and 21 July 2020, the Company has made an application for a waiver of submitting its Sustainability Report for FY2019 under Rules 711A and 711B and the Practice Note 7F of the Sustainability Reporting Guide in the Catalist Rules (the "**FY2019 SR Waiver**") and the SGX-ST has no comments on the Company's application.

The Company had sought FY2019 SR Waiver based on the grounds that following the disposal of its key operating subsidiary, ayondo Markets Limited and the insolvency proceedings of its subsidiaries, namely ayondo Holding AG and ayondo GmbH, and the Group has ceased to have any operating subsidiaries or business.

As the Sustainability reporting involves comprehensive reporting both financial and non-financial information to key stakeholders on the Group's material environmental, social and governance (ESG), the Company is of the view that the sustainability report in respect of FY2019 would not be meaningful nor indicative of the Company's current circumstances and accordingly, will not be issuing the Sustainability Reporting for FY2019 to shareholders.

TABLE A

Board comprises:

Name of Current Directors	
Foo Fatt Kah	(Non-Executive Director)
Tse Man Kit Gilbert[(1)]	(Non-Executive Director)
Foong Daw Ching	(Lead Independent Director)
Lam Shiao Ning	(Independent Director)

Name of Former Directors	
Thomas Winkler[(2)]	(Non-Executive Chairman)
Robert Lempka[(3)]	(Executive Director and Chief Executive Officer)
Chan Heng Toong[(4)]	(Independent Director)

Notes:

1. Mr Tse Man Kit Gilbert was appointed as Non-Executive Director of the Company on 2 September 2019.
2. Mr Thomas Winkler has ceased to be Non-Executive Chairman of the Board and Director of the Company on 31 December 2019.
3. Mr Robert Lempka has ceased to be Executive Director and CEO of the Company on 22 January 2019.
4. Mr Chan Heng Toong retired as Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019.

The primary functions of the Board include:-

(a) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the company to meet its objectives;
(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
(c) review management performance;
(d) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
(e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
(f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Board's approval is also required on matters such as major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructuring, share issuance and dividends.

These functions are carried out either by the Board or through committees established by the Board, namely the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide on matters within their respective written terms of reference. Each Board Committee has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

Audit and Risk Committee comprises:-

Name of Current Members	
Foong Daw Ching	(Chairman, Independent)
Dr Foo Fatt Kah	(Member)
Lam Shiao Ning	(Member, Independent)

Name of Former Member

Chan Heng Toong* (Member, Independent)

* Mr Chan Heng Toong retired as the Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019. Upon his retirement, he ceased to be a member of the Audit and Risk Committee of the Company.

The ARC performs the following main functions:-

(a) review the Audit Quality Indicators ("**AQI**") and audit plans of the external auditors, including the results of the external and internal auditors' examination and their evaluation of the system of internal accounting controls, their letter to the Management and the Management's response;
(b) monitor and review the implementation of the auditor's recommendations for the internal control weaknesses identified in the auditors' letter to the Management;
(c) review the quarterly, half-yearly and annual financial statements and balance sheet and profit and loss accounts before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual, the Catalist Rules and any other relevant statutory or regulatory requirements;
(d) review the risk profile of the Company, its internal control and risk management procedures and the appropriate steps to be taken to address and manage risks at acceptable levels determined by the Board;
(e) ensure co-ordination between the external and internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the operating results or financial position, and the Management's response;
(g) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;
(h) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
(i) review potential conflicts of interest (if any);
(j) evaluate the independence of the external auditors;
(k) review the adequacy of the internal audit function and ensure that a clear reporting structure is in place between the Audit and Risk Committee and the internal auditors;
(l) review the hedging carried out by the Company and review and approve the hedging policies which have been implemented by the Company;
(m) review procedures and policies of the Company for the purposes of internal accounting controls;
(n) review arrangements by which the Company's staff may, in confidence, raise concerns about possible impropriety in matters of financial reporting and other matters and the adequacy of procedures for independent investigation and appropriate follow-up action in response to such complaints;
(o) review the effectiveness of the proposed safeguards on a regular basis to prevent future breaches of the relevant rules and regulation by the Group;
(p) in relation to risk assessment;
    (i) keep under review the Group's overall risk assessment processes that inform the Board's decision making;
    (ii) review regularly the effectiveness of the risk management policies adopted by the Group;
    (iii) review regularly and approve the parameters used in these measures and the methodology adopted;
    (iv) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

(v) review reports on any material breaches of risk limits and adequacy of proposed action;
(vi) oversee the scope and nature of work undertaken by the risk committee formed by the management team and considering the adequacy and effectiveness of resources; and
(vii) review all relevant risk reports on the Group;

(q) monitor and review the regulatory developments, and review plans to mitigate risks which may affect the business of the Group;
(r) monitor and review the use of the net proceeds ;
(s) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit and Risk Committee; and
(t) generally undertake such other functions and duties as may be required by statute, the Catalist Rules, or by such amendments as may be made thereto from time to time.

Nominating Committee comprises:-

Name of Current Members	
Lam Shiao Ning	(Chairman, Independent)
Foong Daw Ching	(Member, Independent)
Tse Man Kit Gilbert#	(Member)

Name of Former Member	
Chan Heng Toong*	(Member, Independent)

Mr Tse Man Kit Gilbert was appointed as Non-Executive Director of the Company and member of the Nominating Committee on 2 September 2019.
* Mr Chan Heng Toong retired as the Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019. Upon his retirement, he ceased to be a member of the Nominating Committee of the Company.

The responsibilities of the NC, based on the written terms of reference, are as follows:-

(a) reviewing and recommending the nomination or re-nomination of the Directors having regard to each Director's contribution and performance;
(b) determining the composition of the Board, taking into account the future requirements of the Company, the need for diversity in regard to the Board composition and other considerations such as those set out in the Code;
(c) determining annually, and as and when circumstance require, whether or not a Director is independent;
(d) deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director;
(e) assessing the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board;
(f) reviewing and approving any new employment of related persons and the proposed terms of their employment;
(g) reviewing the training and professional development programmes for the Board;
(h) reviewing the succession plans for the Executive Directors and key management personnel;
(i) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitment; and
(j) undertake such other functions and duties as may be required by statute of the Act, the Rules of Catalist and the Code, or by such amendments as may be made thereto from time to time.

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as Director.

Remuneration Committee comprises:-

Name of Current Members	
Foong Daw Ching	(Chairman, Independent)
Lam Shiao Ning	(Member, Independent)
Tse Man Kit Gilbert#	(Member)

Name of Former Member	
Chan Heng Toong*	(Chairman, Independent)

Mr Tse Man Kit Gilbert was appointed as Non-Executive Director of the Company and member of the Remuneration Committee on 2 September 2019.

* Mr Chan Heng Toong retired as the Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019. Upon his retirement, he ceased to be the Chairman of the Remuneration Committee of the Company.

The functions of the RC are as follows:-

(a) review and recommend to the Board a general framework of remuneration for the Board, and the specific framework of remuneration packages for each director, CEO (if CEO is not a director) and key management personnel, and submit such recommendations for endorsement by the entire Board;

(b) function as the committee referred to in the employee share option scheme (the "**Scheme**") and shall have all the powers as set out in the Scheme.

(c) review all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. As part of its review, the RC shall take into consideration the following factors:

  (i) the remuneration packages should be comparable within the industry and in comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual directors' and key management personnel's performance. A significant and appropriate proportion of executive directors' and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance.

  (ii) the remuneration packages of employees related to executive directors, CEO (if CEO is not a director) and substantial or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

  (iii) the level and structure of remuneration should be aligned with the long-term interests and risk policies of the Company and the Code.

  (iv) the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

(d) undertake such other functions and duties as may be required by statute of the Act, the Rules of Catalist and the Code, or by such amendments as may be made thereto from time to time.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of each individual Director and key management personnel of the Group. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC shall abstain from voting on any resolution in respect of his or her own remuneration package.

TABLE B

Attendance at Board, Board Committees and Shareholders' General Meetings for FY2019										
	Board of Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings		Nominating Committee Meetings		Extraordinary General Meeting held on 3 June 2019	Annual General Meeting held on 28 June 2019
Name of Current Director	No. of Meetings held while as a Director	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	Attended while as a Director	Attended while as a Director
□ Foo Fatt Kah	4	4	4	4	1	1	2	2	✓	✓
□ Foong Daw Ching	4	4	4	4	1	1	2	2	✓	✓
□ Lam Shiao Ning	4	4	4	4	1	1	2	2	✓	✓
□ Tse Man Kit Gilbert[(a)]	2	2	N/A	N/A	-	-	-	-	-	-
Name of Former Director										
□ Thomas Winkler[(b)]	4	3	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
□ Robert Lempka[(c)]	-	-	N/A	N/A	N/A	N/A	N/A	N/A	-	-
□ Chan Heng Toong[(d)]	1	1	1	1	1	1	2	2	✓	✓

Notes:

N/A - Not applicable as he is not a member of the respective Board Committees.

(a) Mr Tse Man Kit Gilbert was appointed as Non-Executive Director of the Company and Members of the Nominating and Remuneration Committees of the Company on 2 September 2019.
(b) Mr Thomas Winkler has ceased to be the Non-Executive Director and Chairman of the Company on 31 December 2019.
(c) Mr Robert Lempka has ceased to be the Executive Director and CEO of the Company on 22 January 2019.
(d) Mr Chan Heng Toong retired as the Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019. Upon his retirement, he ceased to be the Chairman of Remuneration Committee and members of the Audit and Risk and Nominating Committees of the Company.

TABLE C

Mr Foong Daw Ching and Mr Tse Man Kit Gilbert are the Directors seeking re-election as Directors of the Company, pursuant to Regulations 117 and 122 of the Company's Constitution respectively, at the forthcoming annual general meeting of the Company under Ordinary Resolution Nos. 2 and 3 as set out in the Notice of AGM dated 2 August 2020 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Catalist Rule 720(5), the information on the Retiring Directors as set out in Appendix 7F to the Catalist Rule is set out below:

Name of Directors	**Foong Daw Ching**	**Tse Man Kit Gilbert**
Date of Appointment	22 February 2018	2 September 2019
Date of last re-appointment (if applicable)	28 June 2019	Not Applicable
Age	69	49
Country of principal residence	Singapore	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Foong Daw Ching's overall contributions and performance, is of the view that he is suitable for re-appointment as Lead Independent Director of the Company. Mr Foong Daw Ching is considered independent for the purposes of Rule 704(7) of Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited.	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Tse Man Kit Gilbert's overall contributions and performance, is of the view that he is suitable for re-appointment as Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	☐ Lead Independent Director ☐ Audit and Risk Committee Chairman ☐ Remuneration Committee Chairman ☐ Nominating Committee Member	☐ Non-Executive Director ☐ Remuneration Committee Member ☐ Nominating Committee Member

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
Professional qualifications (if any)	Institute of Chartered Accountants in England & Wales The Institute of Singapore Chartered Accountants Certified Practising Accountants (CPA) Australia Malaysian Institute of Accountants	Master of Applied Finance – Macquarie University, Australia Bachelor of Business Administration – The Chinese University of Hong Kong
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Working experience and occupation(s) during the past 10 years	March 2010 – October 2016: Senior Partner, Baker Tilly TFW LLP 1985 – February 2010: Managing Partner, Baker Tilly TFW LLP	March 2019 – Present: Metori Investment Management (Zhuhai Hengqin) Co Ltd – Corporate Director August 2018 – Present: Metori Holdings (Hong Kong) Ltd – Corporate Director January 2018 – Present: Guangzhou Lianggang Investment Consulting Co., Ltd. – Advisor on Corporate Strategy October 2017 – Present: StormHarbour Securities (HK) Ltd – Advisor on asset management business

Name of Directors	**Foong Daw Ching**	**Tse Man Kit Gilbert**
Working experience and occupation(s) during the past 10 years (*cont'd*)		February 2015 to December 2017: Guangzhou Lianggang Investment Consulting Co., Ltd.– Director and Chief Executive Officer April 2013 to October 2014: Lyxor Asset Management – Managing Director and Head of Asia April 2013 to October 2014: Fortune SG Fund Management Co., Ltd – Non-Executive Director November 2011 to March 2013: Fortune SG Asset Management (HK) Ltd – Non-Executive Director March 2010 to March 2013: Fortune SG Fund Management Co., Ltd – Executive Vice General Manager
Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 704(6)	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 150,000 ordinary shares	Nil
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Directorships: Baker Tilly International Limited (UK) National University Health Services Group Pte. Ltd. (formerly known as Jurong Health Services Pte. Ltd.) NUH Health Research Endowment Fund Board	Directorships: Guangzhou Lianggang Investment Consulting Co., Ltd

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
Other Principal Commitments including Directorships (cont'd)		
	Other Principal Commitments: Nil	Other Principal Commitments: - Guangzhou Lianggang Investment Consulting Co., Ltd.– Chief Executive Officer
Present	Directorships: - Church of Singapore - NUHS Fund Limited - St Luke's Hospital - St Luke's Eldercare Ltd. - Starland Holdings Limited - Suntar Eco-City Limited - Travelite Holdings Ltd. - Tung Ling Student Care Centre - Tung Ling Community Services Other Principal Commitments: Nil	Directorships: - Metori Holding (Hong Kong) Limited - Metori Investment Management (Zhuhai Hengqin) Co., Ltd Other Principal Commitments: - Guangzhou Lianggang Investment Consulting Co., Ltd. – Advisor on Corporate Strategy - StormHarbour Securities (HK) Ltd – Advisor on asset management business

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes. See paragraph (k) below.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	The Company and some of its existing and former directors including Mr Foong received a private show-cause letter ("**Letter**") from the Singapore Exchange Regulation ("**SGX Regco**") to make representations for potential breaches of listing rules. At the date of the Annual Report, there is no outcome on this matter. With reference to the guidance provided in Practice Note 7A of the Catalist Rules, the Board and NC have assessed the matter and are of the view that Mr Foong remains suitable as a director of the Company despite the receipt of this Letter. The Board and NC under the guidance of the Sponsor will re-assess the suitability of Mr Foong when there is an outcome from SGX Regco on this matter.	No

Name of Directors	Foong Daw Ching	Tse Man Kit Gilbert
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If Yes, Please provide details of prior experience	Not applicable as this is a re-election of director.	Not applicable as this is a re-election of director.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable as this is a re-election of director.	Not applicable as this is a re-election of a director.

TABLE D

The tables below show the remuneration bands of the Directors and the key management personnel of the Group, who are not directors as well as the approximate percentage breakdown of the remuneration during FY2019.

(a) Remuneration of Directors of the Company

Name of Director	Salary* (%)	Bonus# (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
Up to S$250,000					
Thomas Winkler(1)	-	-	100	-	100
Robert Lempka(2)	90.47	-	-	9.53	100
Foo Fatt Kah	-	-	100	-	100
Tse Man Kit Gilbert(3)	-	-	100	-	100
Foong Daw Ching	-	-	100	-	100
Lam Shiao Ning	-	-	100	-	100
Chan Heng Toong(4)	-	-	100	-	100

* The salary amount shown is inclusive of Central Provident Fund ("**CPF**"), all fees other than directors' fees and other emoluments.

\# The bonus amount shown is inclusive of CPF.

Notes:

(1) Mr Thomas Winkler has ceased to be the Non-Executive Director and Chairman of the Company on 31 December 2019.
(2) Mr Robert Lempka has ceased to be the Executive Director and CEO of the Company on 22 January 2019.
(3) Mr Tse Man Kit Gilbert was appointed as Non-Executive Director of the Company on 2 September 2019.
(4) Mr Chan Heng Toong retired as the Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 28 June 2019. Upon his retirement, he has ceased to be the Chairman of the Remuneration Committee and members of the Audit and Nominating Committees of the Company.

The above remuneration for FY2019 has been pro-rated according to their respective date of appointment or date of cessation (where applicable).

(b) Remuneration of Key Management Personnel

Disclosure of remuneration of Key Management Personnel for FY2019 is not available due to unavailability of information.

There were no terminations, retirement or post-employment benefits granted to Directors and key management personnel in FY2019.

No shares have been issued under the 2018 ayondo ESOS during FY2019.

(c) Remuneration of employee related to Director or CEO

There was no employee of the Group who is an immediate family member of any Director or the then Executive Director and CEO whose remuneration exceeds S$100,000 in FY2019.

FINANCIAL CONTENTS

Directors' statement

for the financial year ended 31 December 2019

The directors submit this statement to the members together with the audited consolidated financial statements of the ayondo Ltd. (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2019.

In our opinion:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the information as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of directors

The directors in office at the date of this report are:

Foo Fatt Kah
Foong Daw Ching
Lam Shiao Ning
Tse Man Kit Gilbert (appointed on 2 September 2019)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of the Company or of any other corporate body other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, the following directors who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as follows:

	Direct interest		Deemed interest	
The Company - ayondo Ltd. (Ordinary shares)	As at 1.1.2019	**As at 31.12.2019**	As at 1.1.2019	**As at 31.12.2019**
Foo Fatt Kah	6,688,057	**6,688,057**	101,174,765	**44,514,009**(1)
Foong Daw Ching	150,000	**150,000**	-	**-**
Lam Shiao Ning	100,000	**100,000**	-	**-**

Directors' interest in shares or debentures (Cont'd)
Notes:

(1) Foo Fatt Kah, is a director and shareholder of Luminor Capital Pte. Ltd., the fund manager of Luminor Pacific Fund 2 Ltd which manages Luminor Pacific Fund 2 Ltd on a discretionary basis. By virtue of Section 4 of the SFA, Foo Fatt Kah is deemed interested in the 44,514,009 Shares of the Company held by Luminor Pacific Fund 2 Ltd.

There are no changes to the above shareholdings as at 21 January 2020.

Share options
No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under option at the end of the financial year.

ayondo Employee Share Option Scheme
In conjunction with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited, the Company has adopted the ayondo Employee Share Option Scheme (the "**ESOS**") which was approved by members of the Company on 23 February 2018.

The ESOS is administered by the Remuneration Committee of the Company, comprising Mr Foong Daw Ching, Mr Tse Man Kit Gilbert and Ms Lam Shiao Ning.

No share options have been awarded pursuant to the ESOS during the financial year.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the above share option schemes outstanding as at 31 December 2019 are as follows:

Expiry date	**Exercise price ($)**	**Number of options**
9 December 2024	0.215	3,780,000
31 December 2024	0.215	17,679,600
	0.251	810,000
	0.259	3,780,000
30 March 2025	0.215	270,000
10 February 2026	0.003	540,000
31 March 2026	0.003	891,000
	0.251	2,700,000
2 August 2026	0.259	270,000
		30,720,600

Share options (Cont'd)
ayondo Employee Share Option Scheme (Cont'd)

Since the commencement of the share option plans till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates.
- No options that entitle the holder to participate, by virtue of the options, in any shares issue of any other corporation have been granted.
- Other than the above two directors, the following former employees have received 5% or more of the total options outstanding under the plans.

Name of former employees	Options granted during the financial year ended 31.12.2019	Aggregate options granted since commencement of plan to 31.12.2019/ date of resignation	Aggregate options exercised since commencement of plan to 31.12.2019/ date of resignation	Aggregate options lapsed during the financial year ended 31.12.2019	Aggregate options outstanding as at 31.12.2019 / date of resignation
Thomas Winkler	-	9,244,800	-	-	9,244,800
Robert Lempka	-	10,864,800	-	-	10,864,800
Edward Drake	-	3,780,000	-	-	3,780,000
Sarah Brylewski	-	4,455,000	-	(4,455,000)	-
Raza Perez	-	3,591,000	-	-	3,591,000
	-	31,935,600	-	(4,455,000)	27,480,600

Audit and Risk Management Committee
The Audit and Risk Management Committee during the financial year and at the date of this statement comprises the following members:

Foong Daw Ching	Chairman, Independent Non-executive Director
Foo Fatt Kah	Non-independent Non-executive Director
Lam Shiao Ning	Independent Non-executive Director

The Audit Risk Management Committee reviews the Group's statutory financial statements, and the Independent Auditor's Report thereon, with the auditor.

The Audit Risk Management Committee may examine any aspect of the Group's financial affairs it deems appropriate and also reviews the Group's internal controls over its internal and external exposures to risks including operational, credit, market, legal and regulatory risks. It will keep under review the Group's system of accounting and internal financial controls, for which the Directors are responsible.

The Audit and Risk Management Committee has full access to, and the co-operation of the Group's management and has full discretion to invite any Director or executive officer to its meetings. The auditor will have unrestricted access to the Audit and Risk Management Committee. The Audit and Risk Management Committee has reasonable resources available to enable it to discharge its functions properly and may require the Company to appoint third parties to undertake independent audits of specific area as it deems appropriate.

Management Changes

During the financial year, the Group experienced significant changes to its management team involving departures of key management personnel who were mainly based outside of Singapore. In January 2019, Mr Robert Lempka, the Executive Director and Chief Executive Officer ("CEO") of the Group resigned. An interim CEO, Mr Richard Mark Street, was appointed on 23 January 2019 who saw through the disposal of the key operating subsidiary of the Group in UK, ayondo Markets Ltd ("AML"). The Chief Financial officer ("CFO"), Mr Sean Downey, tendered his resignation on 15 February 2019, citing differences with the management of AML (including the former CEO) and his effective date of resignation was 5 June 2019 (being the date of completion of the disposal of AML).

Following the disposal of AML, the Group also saw the cessations of its Chief Operating Officer, Mr Edward Drake, and its Chief Talent Officer and General Counsel, Ms Angela Sadler.

Subsequently, in August 2019, the Group commenced insolvency proceedings over the assets of ayondo GmbH ("AYG") (a wholly-owned subsidiary of ayondo Holding AG ("AHAG"), which is in turn a 99.97%-owned subsidiary of the Company) (the "AYG Insolvency"). Consequent to that, inter alia, an insolvency application was filed with the competent court in Zug, Switzerland to commence insolvency proceedings over the assets of AHAG (the "AHAG Insolvency").

Following the AML Disposal, AYG Insolvency and AHAG Insolvency, the Group has ceased to have any business operations. The Interim CEO, Mr Richard Mark Street also resigned effective on 31 August 2019.

In view of the uncertainties faced by the Group, the Company was not able to find a replacement CFO. The role of the Group CFO had, prior to the completion of the disposal of AML, been performed out of London, UK. The finance function was eventually outsourced to a third party service provider in Singapore. As such, there was no proper mechanism in place for transition of financial records of the Company and the Group. The audit of the Company and the Group commenced after the series of changes outlined above and accordingly, there were significant challenges in procuring the necessary financial records of the Group.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

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FOO FATT KAH

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FOONG DAW CHING

Dated: 2 August 2020

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. 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, the Group had received loans of CHF856,000 and CHF486,000 related to CN1 and CN2, respectively (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 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 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 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 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 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

Statements of financial position

as at 31 December 2019

	Note	The Group 31 December 2019 CHF'000	31 December 2018 CHF'000	The Company 31 December 2019 CHF'000	31 December 2018 (Restated) CHF'000
ASSETS					
Non-Current					
Plant and equipment	3	**-**	59	**-**	-
Intangible assets	4	**-**	19	**-**	-
Subsidiaries	5	**-**	-	**-**	-
Total non-current assets		**-**	78	**-**	-
Current					
Trade and other receivables	6	**4**	32,129	**4**	26
Cryptocurrency assets	7	**-**	291	**-**	-
Derivative financial instruments	8	**-**	42	**-**	-
Cash and bank balances	9	**31**	1,594	**31**	4
Investment securities	10	**-**	-	**-**	-
Total current assets		**35**	34,056	**35**	30
Total assets		**35**	34,134	**35**	30
EQUITY					
Capital and Reserves					
Share capital	11	**32,450**	32,450	**32,450**	32,450
Merger reserve	12	**-**	50,536	**-**	-
Other reserves	13	**2,988**	(762)	**2,988**	2,988
Accumulated losses		**(38,705)**	(90,458)	**(38,705)**	(37,315)
Total equity attributable to owners of the Company		**(3,267)**	(8,234)	**(3,267)**	(1,877)
Non-controlling interests		**-**	(45)	**-**	-
Total equity		**(3,267)**	(8,279)	**(3,267)**	(1,877)
LIABILITIES					
Non-Current					
Employee benefit liabilities	14	**-**	99	**-**	-
Borrowings	15	**1,033**	-	**1,033**	-
Total non-current liabilities		**1,033**	99	**1,033**	-
Current					
Convertible debt securities	16	**-**	-	**-**	-
Trade and other payables	17	**1,381**	40,021	**1,381**	1,907
Borrowings	15	**856**	-	**856**	-
Loans from related parties	18	**-**	291	**-**	-
Loan from a former director	19	**32**	-	**32**	-
Derivative financial instruments	8	**-**	1,940	**-**	-
Bank overdraft	9	**-**	62	**-**	-
Total current liabilities		**2,269**	42,314	**2,269**	1,907
Total liabilities		**3,302**	42,413	**3,302**	1,907
Total equity and liabilities		**35**	34,134	**35**	30

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 31 December 2019

	Note	**Year ended 31 December 2019 CHF'000**	Year ended 31 December 2018 CHF'000
Continuing operations			
Revenue		**-**	-
Other income	20	**266**	-
Staff expenses	21	**(50)**	(1,585)
Marketing expenses	22	**-**	(12)
Initial public offering/reverse-takeover expenses		**-**	(772)
Other operating expenses		**(1,766)**	(3,553)
Total operating expenses and operating loss		**(1,550)**	(5,922)
Finance costs	23	**(112)**	-
Loss from continuing operations, before taxation	23	**(1,662)**	(5,922)
Income tax expense	24	**-**	-
Loss from continuing operations, after taxation		**(1,662)**	(5,922)
Discontinued operations			
Gain on disposal of subsidiary	23,25	**17,638**	-
Gain on deconsolidation of subsidiaries arising from liquidation	23,25	**2,423**	-
Loss from discontinued operations, net of tax	25	**(3,521)**	(44,317)
Profit/(loss) from discontinued operations, after taxation		**16,540**	(44,317)
Profit/(loss) for the year, net of tax		**14,878**	(50,239)
Profit/(loss) for the year, net of tax, attributable to:			
Equity holders of the Company		**14,899**	(50,218)
Non-controlling interests		**(21)**	(21)
		14,878	(50,239)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	13	**597**	(106)
Actuarial gains on defined benefit plans	14	**-**	143
Total comprehensive income/(loss) for the year, net of tax		**15,475**	(50,202)
Total comprehensive income/(loss), attributable to:			
Equity holders of the Company		**15,496**	(50,180)
Non-controlling interests		**(21)**	(22)
		15,475	(50,202)

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Consolidated statement of profit or loss and other comprehensive income (Cont'd)

for the financial year ended 31 December 2019

	Note	**Year ended 31 December 2019 CHF**	Year ended 31 December 2018 CHF
Earnings/(loss) per share	26		
From continuing operations			
- basic		**(0.003)**	(0.012)
- diluted		**(0.003)**	(0.012)
From discontinued operations			
- basic		**0.026**	(0.088)
- diluted		**0.026**	(0.088)
From both continuing and discontinued operations			
- basic		**0.023**	(0.100)
- diluted		**0.023**	(0.100)

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Consolidated statement of changes in equity

for the financial year ended 31 December 2019

The Group	Share capital CHF'000	Merger reserve[1] CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Gain on reissuance of treasury shares CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Equity attributable to owners of the parent CHF'000	Non-controlling interests CHF'000	Total equity CHF'000
At 1 January 2018	50,006	-	(491)	2,524	92	(3,153)	(40,383)	8,595	(23)	8,572
Loss for year	-	-	-	-	-	-	(50,218)	(50,218)	(21)	(50,239)
Other comprehensive income										
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	143	143	-	143
Foreign currency translation	-	-	(106)	-	-	-	-	(106)	(1)	(107)
Other comprehensive income for the year	-	-	(106)	-	-	-	143	37	(1)	36
Contributions by and distributions to owners										
Merger reserve arising from restructuring	(50,006)	50,098	-	-	(92)	-		-	-	-
Share swap pursuant to restructuring	12,314	(12,314)	-	-	-	-	-	-	-	-
Capital contribution	-	12,752	-	-	-	-	-	12,752	-	12,752
Conversion of debt instruments	3,161	-	-	-	-	-	-	3,161	-	3,161
Issuance of shares pursuant to the reimbursement of acquisition expense to Starland Holdings Limited	822	-	-	-	-	-	-	822	-	822
Issuance of shares pursuant to Initial Public Offering ("IPO")	14,715	-	-	-	-	-	-	14,715	-	14,715
Issuance of shares to sponsor	464	-	-		-	-	-	464	-	464
Issue of adjustment shares to convertible bonds ("CB") conversion	1,869	-	-	-	-	-	-	1,869	-	1,869
Capitalised IPO costs	(895)	-	-	-	-	-	-	(895)	-	(895)
Modification of share option scheme	-	-	-	398	-	-	-	398	-	398
Grant of share options to employees	-	-	-	66	-	-	-	66	-	66
Contributions by and distributions to owners	(17,556)	50,536	-	464	(92)	-	-	33,352	-	33,352
At 31 December 2018	32,450	50,536	(597)	2,988	-	(3,153)	(90,458)	(8,234)	(45)	(8,279)

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.

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Consolidated statement of changes in equity (Cont'd)

for the financial year ended 31 December 2019

The Group	Share capital CHF'000	Merger reserve[1] CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Gain on reissuance of treasury shares CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Equity attributable to owners of the parent CHF'000	Non-controlling interests CHF'000	Total equity CHF'000
At 1 January 2019	**32,450**	**50,536**	**(597)**	**2,988**	**-**	**(3,153)**	**(90,458)**	**(8,234)**	**(45)**	**(8,279)**
Profit for year	**-**	**-**	**-**	**-**	**-**	**-**	**14,899**	**14,899**	**(21)**	**14,878**
Other comprehensive income										
Foreign currency translation	**-**	**-**	**597**	**-**	**-**	**-**	**(597)**	**-**	**-**	**-**
Deconsolidation of subsidiaries	**-**	**(50,536)**	**-**	**-**	**-**	**3,153**	**37,451**	**(9,932)**	**66**	**(9,866)**
Other comprehensive income/(loss) for the year	**-**	**(50,536)**	**597**	**-**	**-**	**3,153**	**36,854**	**(9,932)**	**66**	**(9,866)**
At 31 December 2019	**32,450**	**-**	**-**	**2,988**	**-**	**-**	**(38,705)**	**(3,267)**	**-**	**(3,267)**

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.

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Consolidated statement of cash flows

for the financial year ended 31 December 2019

	Note	Year ended 31 December 2019 CHF'000	Year ended 31 December 2018 CHF'000
Cash Flows from Operating Activities			
Loss before income tax from continuing operations		**(1,662)**	(5,922)
Profit/(loss) before income tax from discontinued operations		**16,305**	(44,891)
Profit/(loss) before income tax, total		**14,643**	(50,813)
Adjustments for:			
Gain on disposal of plant and equipment	23	**-**	(9)
Gain on disposal of subsidiary	23,25	**(17,638)**	-
Gain on deconsolidation of subsidiaries arising from liquidation	23,25	**(2,423)**	-
Depreciation of plant and equipment	3,23	**40**	84
Amortisation of IT platform development costs	4,23	**2**	1,180
Issuance of adjustment shares for CB conversion	11	**-**	1,869
Issuance of shares to sponsor	11	**-**	464
Impairment of goodwill	23	**-**	33,360
Impairment of IT platform development costs	23	**-**	3,494
Impairment of investment securities	23	**-**	248
Employee share-based payment expense	23,27	**-**	464
Changes in fair value of embedded derivatives of convertible bonds	23	**-**	(2,197)
Unrealised gain on derivatives		**-**	(83)
Pension costs	14	**-**	(555)
Interest income on loans and receivables		**-**	(2)
Finance costs	23	**112**	2,973
Capitalised IPO costs	11	**-**	(895)
Unrealised exchange gain		**(266)**	(187)
Operating loss before working capital changes		**(5,530)**	(10,605)
Change in trade and other receivables and cryptocurrency asset		**395**	1
			9,149
		2,503	
Change in trade and other payables			(15,343)
Cash used in operations		**(2,632)**	(6,799)
Interest paid		**-**	(1)
Interest received		**-**	2
Income tax received		**-**	5
			54
Net cash used in operating activities		**(2,632)**	(6,244)
Cash Flows from Investing Activities			
Purchase of plant and equipment	3	**-**	(25)
Capitalisation of internally generated intangibles	4	**-**	(1,729)
Proceeds from disposal of plant and equipment		**-**	9
Net cash outflow on disposal of subsidiary		**(205)**	-
Net cash outflow on deconsolidation of subsidiaries		**(187)**	-
Proceeds from sale of investment securities		**-**	380
Net cash used in investing activities		**(392)**	(1,365)
Cash Flows from Financing Activities			
Proceeds from issue of new shares		**-**	14,715
Proceeds from borrowings		**1,778**	-
Receipts of loan from a former director		**31**	-
Repayment of loans from related parties		**(291)**	291
Repayment of shareholder's loan		**-**	(799)
Repayment of convertible bonds interest coupon		**-**	(1,517)
Repayment of convertible bonds		**-**	(4,393)
Net cash generated from financing activities		**1,518**	8,297

Consolidated statement of cash flows (Cont'd)

for the financial year ended 31 December 2019

	Note	**Year ended 31 December 2019 CHF'000**	Year ended 31 December 2018 CHF'000
Net (decrease)/increase in cash and cash equivalents		**(1,506)**	688
Cash and cash equivalents at beginning of the year		**1,532**	882
Effects of exchange rate changes on cash and cash equivalents		**5**	(38)
Cash and cash equivalents at end of the year	9	**31**	1,532

Note:

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	Note	As at 1 January 2019 CHF'000	Cash-flow - Proceeds from loans/ advances CHF'000	Cash-flow - Repayment CHF'000	Non-cash changes- interest expenses CHF'000	**As at 31 December 2019 CHF'000**
Borrowings	15	-	**1,778**	**-**	**111**	**1,889**
Loan from a former director	19	-	**31**	**-**	**1**	**32**
Loans from related parties	18	291	**-**	**(291)**	**-**	**-**
		291	**1,809**	**(291)**	**112**	**1,921**

	Note	As at 1 January 2018 CHF'000	Cash-flow - Proceeds from loans/ advances CHF'000	Cash-flow - repayment CHF'000	Non-cash transaction CHF'000	As at 31 December 2018 CHF'000
Shareholder's loan		799	-	(799)	-	-
Loans from related parties	18	-	291	-	-	291
		799	291	(799)	-	291

The annexed notes form an integral part of and should be read in conjunction with these financial statements

1. General information

The financial statements of the Group and of the Company for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a private limited company domiciled in Singapore on 4 October 2017. On 23 February 2018, the Company was converted into a public company limited by shares and changed its name to ayondo Ltd.

On 26 March 2018, the Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is at 20 Collyer Quay, #01-02, Singapore 049319.

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 5.

During the year ended 31 December 2019, the Group disposed of its key operating subsidiary, ayondo Markets Limited, and placed the remaining subsidiaries under liquidation (Note 5). The Group consists of the Company. Having either disposed of or lost control over all its subsidiaries, only the Company remains in the Group as at 31 December 2019.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") promulgated by the Accounting Standards Council ("ASC").

These consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

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

2(a) Basis of preparation (Cont'd)

Going concern assumption

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. 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 $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, the Group had received loans of CHF856,000 and CHF486,000 related to CN1 and CN2, respectively (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.

The ability of the Group and the Company to continue as a going concern depends on availability of funding from issuance of CN3.

If the Group and the Company are unable to continue in operational existence, 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(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements in applying accounting policies

Identification of functional currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgment and other companies may make different judgments based on similar facts. The functional currency of each of the Group entities is principally determined by the primary economic environment in which the respective entity operates. The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

Intangible assets – Development costs Note 4 to the financial statements

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to a project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of capitalised development costs is disclosed in Note 4. Amounts capitalised include the total cost of any services and labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs and external consulting cost to capitalise and the amounts involved.

Key sources of estimation uncertainty

Impairment of intangible assets (Note 4 to the financial statements)

The recoverable amounts of the cash generating units which goodwill and IT platform development costs have been allocated to are determined based on value in use calculations. The value in use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 4 to the financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2019, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28	Long-term Interests in Associates and Joint Ventures	1 January 2019
	Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019

SFRS(I) 16 Leases

SFRS(I) 16 Leases supersedes SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases - Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's financial statements are discussed below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019. The Group has elected to transition to SFRS(I) 16 using the cumulative catch-up (or modified retrospective) approach which requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application, without restatement of comparatives under SFRS(I) 1-17.

(a) Definition of a lease

The new definition of a lease under SFRS(I) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(I) 1-17.

The new requirements for identifying a lease under SFRS(I) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

(b) Lessee accounting

Former operating leases

Before the adoption of SFRS(I) 16, the Group's non-cancellable operating lease payments in future reporting periods for office premises were not recognised as a liability in the statement of financial position but were disclosed as a commitment in the notes to the financial statements, and these lease payments were reported as rental expense in profit or loss over the lease term on a straight-line basis and presented under operating activities in the statement of cash flows. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities in the statement of financial position for these outstanding lease payments, reports depreciation of right-of-use assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the statement of cash flows.

Under SFRS(I) 16, lease incentives are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17, they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expenses on a straight-line basis.

The Group had operating leases of office premises entered into by subsidiaries which were disposed of and placed under liquidation during the year ended 31 December 2019. The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 January 2019 were not assessed.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments
The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:
  - if yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
  - if no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

There is no material impact to the Group's and the Company's financial statements.

2(c) Standards issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to References to the Conceptual Framework in SFRS(I)		1 January 2020
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Interest Rate Benchmark Reform	1 January 2020
Amendment to SFRS(I) 16	Covid-19-Related Rent Concessions	1 June 2020
SFRS(I) 17	Insurance Contracts	1 January 2021
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet determined

The Group has performed a preliminary assessment and the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2(d) Summary of significant accounting policies

Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting periods. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

2(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Subsidiary (Cont'd)
The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment losses. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

Business combinations and goodwill
With the exception of business combinations involving entities under common control, business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities. No additional goodwill is recognised as a result of the combination. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as merger reserve. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Business combinations and goodwill (Cont'd)

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2(d) Summary of significant accounting policies (Cont'd)

Plant and equipment and depreciation
Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Office equipment	3 years
Furniture and fittings	3 years
Leasehold improvements	3 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Leases

Leases (from 1 January 2019)
The Group as a lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Leases (from 1 January 2019) (Cont'd)
The Group as a lessee (Cont'd)

Lease liability
Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Leases (from 1 January 2019) (Cont'd)
The Group as a lessee (Cont'd)

Right-of-use asset
The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meet the definition of investment property) are presented within "plant and equipment" in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases (before 1 January 2019)
The Group as a lessee

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Leases (before 1 January 2019) (Cont'd)
The Group as a lessee (Cont'd)

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Intangible assets
Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2(d) Summary of significant accounting policies (Cont'd)

Intangible assets (Cont'd)
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Research and development costs for Information Technology ("IT") Platform
Research costs are expensed as incurred. Development costs on an individual project are recognised as an intangible asset when the Group can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset';
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development cost as an intangible asset, it is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future sales from the related IT platform (5 years) on a straight-line basis. Amortisation is recorded in other operating expenses.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(I) Financial assets

Measurement

Initial recognition and measurement
Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost include trade and other receivables (excluding prepayments) and cash and cash equivalents.

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group does not hold such financial assets.

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments) (Cont'd)
Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group does not hold such financial assets.

Financial assets fair value through profit or loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group does not hold such financial assets.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Derecognition (Cont'd)
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 – months (a 12 – months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group's trade receivables and other receivables represents balances with clients and counterparties where the combination of cash held on account and valuation of financial derivative open positions result in an amount due to the Group. The Group applies a simplified approach in calculating ECLs for trade receivables. The Group recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(II) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise borrowings, bank overdraft, convertible bonds, loans from related parties, loan from a former director and trade and other payables.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(II) Financial liabilities (Cont'd)

Initial recognition and measurement (Cont'd)
Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Subsequent measurement
They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(III) Cash and cash equivalents

Cash and cash equivalents comprise cash balances. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Notes to the financial statements

for the financial year ended 31 December 2019

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)
Impairment losses recognised for cash-generating units, are charged pro rata to the assets in the cash- generating unit.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Share capital and share issuance expenses
Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Earnings per share
The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and warrants.

Convertible bonds
Redeemable Convertible bonds with conversion option and warrants feature are accounted for as financial liability with embedded derivatives (early redemption option, equity conversion option and issuance of warrants at conversion and warrants at redemption) based on the terms of the contract.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are de-recognised with a corresponding recognition of share capital.

The convertible bonds are hybrid financial instruments with a host debt component, embedded derivative component and an equity component. On issuance of convertible bonds, the embedded options are recognised at fair value as derivative liabilities with subsequent changes in fair value recognised in profit or loss.

The residual amount after deducting the fair value of the embedded derivative component and liability component is recognised in equity.

2(d) Summary of significant accounting policies (Cont'd)

Segment reporting
The Group's revenue is derived from a single operating entity. The Chief Operating Decision Maker or equivalent does not review the Group's financial information and the Group's turnover by revenue streams or customer country of domicile.

Introducing partner commission and betting duty tax
Commissions payable to introducing partners and spread betting duty tax are charged to the profit or loss when the associated revenue is recognised. Betting duty tax is payable on net gains generated from clients on spread betting products.

Cryptocurrency assets
The Group holds cryptocurrency assets in the ordinary course of its business. Cryptocurrency assets are measured at fair value less cost to sell with changes in valuation recorded in the Group's income statement in the period in which they arise.

Functional currencies
The financial statements are presented in Swiss Francs (CHF), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualified for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the items (i.e, translation differences on items whose fair value gain or loss is recognised in OCI or the statement of comprehensive income are also recognised in OCI or the statement of profit or loss respectively).

Group entities
On consolidation, the assets and liabilities of foreign operations are translated into Swiss Francs at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2(d) Summary of significant accounting policies (Cont'd)

Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to define contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Pensions and other post-employment benefits

The Group maintains one defined benefit pension plan in Switzerland.

The Group's contributions to defined benefit plans, the recognised amount in the statement of financial position is determined as the present value of the defined benefit obligation at the reporting date less the fair value of any plan assets. Where this calculation results in a net surplus, the excess of assets is recognised only to the extent that it represents a future economic benefit which is actually available to the Group, for example in the form of refunds from the plan or reduction in future contributions to the plan. When such excess is not available or does not represent a future economic benefit, it is not recognised but is disclosed in the notes.

Actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Actuarial gains and losses are not reclassified to profit or loss in subsequent periods. Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred.

Past service costs are recognised immediately in the operating profit. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised as an expense in the operating profit.

The present value of the defined benefit obligations and the related service costs are calculated annually by qualified actuaries using the projected unit credit method. The pension obligation is measured as the present value of the estimated future cash outflows using market yields of high-quality corporate bonds in the country concerned or interest rates of government securities, which have terms to maturity approximating the terms of the related liability.

Employee share-based compensation

Certain employees of the Group receive remuneration in the form of share options as consideration for the services rendered. The cost of these equity settled shared based payment transactions with employees are measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share-based payment reserve, over the vesting period. The cumulative expense recognised at each date until the vesting date reflected the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period recognised in employee benefit expense.

The employee share-based payment reserve is transferred to retained earnings upon expiry of the share option.

2(d) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Award of equity instruments to non-employees

All non-employee transactions in which goods and services are the consideration received in exchange for equity instruments are accounted for based on the fair value of the consideration received at the dates on which the goods are received or the date on which the services are rendered.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:
- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

Results from operations qualifying as discontinued operations are presented separately as a single amount on
the income statement.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue for the Group is earned from the provision of the Group's services after eliminating sales within the Group, and is recognised at the fair value of consideration received or receivable for the rendering of services, net of discount and client bonuses.

Trading revenue (discontinued operations)

Trading revenue represents gains and losses arising on client trading activity, primarily in financial spread betting and contracts for difference and the transactions undertaken to hedge the risk associated with client trading activity. Open client and hedging positions are carried at fair market value and gains and losses arising on this valuation are recognised in revenue as well as gains and losses realised on positions that have closed.

Trading revenue also includes spread, commission and funding charges made to clients in respect of the opening, holding and closing of financial spread bets and contracts for difference.

Trading revenue is reported gross of introducing partner commission as these amounts are directly linked to trading revenue.

Fees, rebates, client bonuses and betting duty tax (discontinued operations)

Introducing partner commission, along with betting duties and financial transaction taxes paid, is disclosed as an expense in arriving at net operating income, as is commissions and execution fees paid to hedging counterparties.

The Group recognises revenue when the specific criteria for each of the Group's activities are met as follows:

(a) Spread and commission

Revenue from spread and commission is recognised upon the completion of a trading transaction.

(b) Funding charges

Revenue from funding charges is recognised at the applicable daily interest rates.

3 Plant and equipment

The Group	Leasehold improvements CHF'000	Furniture and fittings CHF'000	Office equipment CHF'000	Total CHF'000
Cost				
At 1 January 2018	37	69	320	426
Additions	-	-	25	25
Disposals	-	-	(3)	(3)
Translation differences	-	(3)	(10)	(13)
At 31 December 2018	**37**	**66**	**332**	**435**
Disposal of subsidiary (Note 25)	**-**	**(57)**	**(115)**	**(172)**
Liquidation of subsidiaries (Note 25)	**(37)**	**(9)**	**(212)**	**(258)**
Translation differences	**-**	-*	**(5)**	**(5)**
At 31 December 2019	**-**	**-**	**-**	**-**
Accumulated depreciation				
At 1 January 2018	20	40	247	307
Depreciation	12	19	53	84
Disposals	-	-	(3)	(3)
Translation differences	-	(2)	(10)	(12)
At 31 December 2018	**32**	**57**	**287**	**376**
Depreciation (discontinued operations)	**5**	**8**	**27**	**40**
Disposal of subsidiary (Note 25)	**-**	**(56)**	**(98)**	**(154)**
Liquidation of subsidiaries (Note 25)	**(37)**	**(9)**	**(212)**	**(258)**
Translation differences	**-**	-*	**(4)**	**(4)**
At 31 December 2019	**-**	**-**	**-**	**-**
Net carrying amount				
At 31 December 2019	**-**	**-**	**-**	**-**
At 31 December 2018	5	9	45	59

* Less than CHF1,000

4 Intangible assets

The Group	Development costs - IT platform CHF'000	Goodwill CHF'000	Total CHF'000
Cost			
At 1 January 2018	5,072	33,360	38,432
Additions - internal development	1,729	-	1,729
Translation differences	(314)	-	(314)
At 31 December 2018	**6,487**	**33,360**	**39,847**
Disposal of subsidiary (Note 25)	**(6,506)**	**-**	**(6,506)**
Liquidation of subsidiaries (Note 25)	**-**	**(33,360)**	**(33,360)**
Translation differences	**19**	**-**	**19**
At 31 December 2019	**-**	**-**	**-**
Accumulated amortisation			
At 1 January 2018	1,955	-	1,955
Amortisation	1,180	-	1,180
Translation differences	(161)	-	(161)
At 31 December 2018	**2,974**	**-**	**2,974**
Amortisation	**2**	**-**	**2**
Disposal of subsidiary (Note 25)	**(2,986)**	**-**	**(2,986)**
Translation differences	**10**		**10**
At 31 December 2019	**-**	**-**	**-**

4 Intangible assets (Cont'd)

The Group	Development cost - IT platform CHF'000	Goodwill CHF'000	Total CHF'000
Accumulated impairment			
At 1 January 2018	-	-	-
Impairment	3,494	33,360	36,854
At 31 December 2018	**3,494**	**33,360**	**36,854**
Disposal of subsidiary (Note 25)	**(3,494)**	**-**	**(3,494)**
Liquidation of subsidiaries (Note 25)	-	**(33,360)**	**(33,360)**
At 31 December 2019	**-**	**-**	**-**
Net carrying amount			
At 31 December 2019	**-**	**-**	**-**
At 31 December 2018	19	-	19

During the year ended 31 December 2018, capitalised development costs related to enhancement to the Group's IT platform included an amount of CHF832,000 for work performed by an external IT consultancy firm. In relation to this, the Group recorded amortisation charge of CHF71,000 and impairment loss on the remaining balance of CHF761,000 for the year ended 31 December 2018.

Impairment testing of goodwill and IT platform development costs

The goodwill arose from the Group's acquisition of ayondo GmbH and Sycap Group (UK) Ltd in February 2014 and April 2014, respectively. The carrying amount of the goodwill and IT platform development costs allocated to each cash-generating unit ("CGU") were as follows:

	ayondo GmbH		**Sycap Group (UK) Ltd**		**ayondo Asia Pte Ltd**	
	31 December 2019 CHF'000	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Goodwill	**-**	-	**-**	-	**-**	-
IT Platform development costs	**-**	-	**-**	19	**-**	-
Total	**-**	-	**-**	19	**-**	-

During the financial year ended 31 December 2018, the Group carried out a review of the recoverable amounts of its respective CGUs using cash flow projections from financial budgets approved by management covering a period of 2 years at a pre-tax discount rate of 50% and a zero growth rate. with the exception of Sycap Group UK. On 8 May 2019, the Group entered into a sales and purchase agreement to dispose its UK subsidiary, ayondo Markets Limited. Hence, the approved budget for Sycap Group covered a period of 4 months in view of the proposed disposal of the UK entity. As a result of the UK subsidiary's regulatory capital shortfall, the Board agreed with the independent valuer's assessment that the UK subsidiary's fair value less cost to sell was negative on a standalone basis without an injection of capital.

4 Intangible assets (Cont'd)

Key assumptions used in the value in use calculations are as follows:

Pre-tax discount rate
The pre-tax discount applied to the cash flow projections for the respective CGUs were based on pre-tax weighted average cost of capital (WACC) applicable to the respective CGUs and represented the then current market assessment of the specific risks, regarding the time value of money and individual risks of the underlying assets which had not been incorporated in the cash flow estimates.

Growth rates
Projections were determined based on management's knowledge taking into consideration the expected medium to long-term market outlook.

Impairment
Impairment loss of CHF33,360,000 and CHF3,494,000 representing the write-downs of goodwill and IT platform development costs to their recoverable amounts were recorded in the Group's profit and loss for the year ended 31 December 2018.

5 Subsidiaries

On 4 October 2017, the existing shareholder of ayondo Holding AG incorporated ayondo Ltd. with $1 share capital. On 23 February 2018, ayondo Ltd. (the "Company") became the holding company of ayondo Holding AG. The Company's cost of investment in ayondo Holding AG amounted to CHF13,379,000.

Unquoted equity shares

The Company	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Unquoted equity shares, at cost	**-**	13,379
Impairment losses	**-**	(13,379)
	-	-

Movements in allowance for impairment loss on investment in subsidiary are as follows:

The Company	**31 December 2019 CHF'000**	31 December 2018 CHF'000
At beginning of year	**13,379**	-
Additions	**-**	13,379
Deconsolidation of subsidiaries	**(13,379)**	-
At end of year	**-**	13,379

Impairment testing of investment in subsidiary
Impairment loss of CHF13,379,000 was recognised for the financial year ended 31 December 2018 to write down the investment in the subsidiary to its estimated recoverable amount.

5 Subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ principal place of business	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
ayondo Holding AG [1]	Swiss-ZUG	-[3]	99.97	Holding company
Held through ayondo Holding AG				
Sycap Group (UK) Ltd. [1]	UK-London	-[3]	99.91	Financial holding
ayondo GmbH [1]	GER- Frankfurt a. M.	-[3]	100	Social Trading Infrastructure
Social Trading Netzwerk GmbH [1]	GER- Frankfurt a. M.	-	100	Dormant
ayondo Asia Pte. Ltd. [1]	Singapore	-[3]	100	Social Trading - B2B services
Held through Sycap Group (UK) Ltd				
ayondo Markets Ltd [1][2]	UK-London	-	99.91	Broker, Trading CFDs
Held through ayondo GmbH				
ayondo Portfolio Management GmbH [1]	GER- Frankfurt a. M.	-[3]	90.10	Social Trading
Held through ayondo Asia Pte Ltd				
Typhoon Technology Limited [1]	Hong Kong	-[3]	100	Dormant

[1] Audited by Foo Kon Tan LLP, Singapore, for consolidation purposes.
[2] Disposed of on 5 June 2019 (Note 25)
[3] Under liquidation (Note 25)

The Group does not have any interest in subsidiaries that have NCI that are material to the Group.

6 Trade and other receivables

	The Group		The Company	
	31 December 2019 CHF'000	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 December 2018 (Restated) CHF'000
Segregated client funds	**-**	25,526	**-**	-
Amounts due from brokers	**-**	5,135	**-**	-
Client fund assets	**-**	-	**-**	-
Amounts due from subsidiaries (non-trade)	**-**	-	**-**	21,207
Other receivables	**-**	1,107	**-**	-
Deposit	**4**	-	**4**	-
Prepayments	**-**	361	**-**	26
	4	32,129	**4**	21,233
Less: Impairment loss	**-**	-	**-**	(21,207)
Total trade and other receivables	**4**	32,129	**4**	26
Less: Prepayments	**-**	(361)	**-**	(26)
Total financial assets at amortised cost	**4**	31,768	**4**	-

6 Trade and other receivables (Cont'd)

Segregated client funds comprised individual client funds held in segregated client money accounts established under UK's Financial Conduct Authority. Segregated client money accounts held statutory trust status restricting the Group's ability to control the monies and accordingly the funds were not available for the Group's own use.

Amounts due from brokers represented balances with brokers of cash held on the account for trading purposes.

At 31 December 2018, other receivables were unsecured and interest-free. The amounts were to be settled in cash. Included in other receivables was CHF574,000 relating to tax receivable from the tax authorities.

At 31 December 2018, non-trade amounts due from subsidiaries, comprising advances, were impaired at the end of the reporting period and the movement in allowance for impairment loss were as follows:

The Company	**31 December 2019 CHF'000**	31 December 2018 (Restated) CHF'000
Other receivables	**-**	20,192
Less: Allowance for doubtful receivables	**-**	(20,192)
	-	-

Movement in allowance for impairment loss:

The Company	**31 December 2019 CHF'000**	31 December 2018 (Restated) CHF'000
At beginning of year	**20,192**	-
Amount impaired	**-**	20,192
Amount utilised	**(20,192)**	-
At end of year	**-**	20,192

7 Cryptocurrency assets

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Cryptocurrency asset	**-**	291

8 Derivative financial instruments

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Current assets		
Futures	-	42
Current liabilities		
Futures	-	1,940

Futures

The amounts were for futures related to derivative contracts held to hedge client market exposures in accordance with the Group's market risk management policy. Details of the futures of the Group at 31 December 2019 were as follows:

	31 December 2019			31 December 2018		
	Contract notional amount CHF'000	**Assets CHF'000**	**Liabilities CHF'000**	Contract notional amount CHF'000	Assets CHF'000	Liabilities CHF'000
Futures	-	-	-	128,438	42	(1,940)

9 Cash and bank balances

	The Group		**The Company**	
	31 December 2019 CHF'000	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Group's own cash and segregated client funds	**31**	27,120	**31**	4
Less: Segregated client funds (Note 6)	-	(25,526)	-	-
Cash and bank balances	**31**	1,594	**31**	4
Less: Bank overdraft	-	(62)	-	-
Cash and cash equivalents as per statement of cash flow	**31**	1,532	**31**	4

Gross cash relate to the Group's own cash and client monies held.

10 Investment securities

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Unquoted equity securities at fair value through profit or loss		
At beginning of year	-	932
Effect of initial adoption of SFRS(I) 9	-	(304)
Disposal	-	(380)
Impairment loss recognised	-	(248)
At end of year	-	-

The investment securities were denominated in United Stated dollars.

The Group measured its investment in unquoted equity securities at cost. Upon the adoption of SFRS(I) 9, the Group measures its investment in unquoted equity securities at fair value through profit or loss. The impact arising from this change resulted in a decrease in carrying value of CHF304,000 to the unquoted equity securities with a corresponding fair value adjustment being recognised in opening retained earnings as at 1 January 2018.

During the financial year ended 31 December 2018, the Group disposed of investment in one of the unquoted equity securities for CHF380,000.

During the financial year ended 31 December 2018, the Group recorded an impairment loss of CHF248,000 for one of its investment securities as the Group was of the view that the investment was not expected to generate future economic benefits following the cessation of business of the investee in 2018.

11 Share capital

The Group		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		No. of ordinary shares			
		'000	'000	CHF'000	CHF'000
Issued and fully paid, with no par value:					
At beginning of year		**509,785**	618	**32,450**	50,006
Merger reserve from restructuring		**-**	(618)	**-**	(50,006)
Share swap pursuant to the restructuring exercise	(i)	**-**	727	**-**	12,314
Sub-division of shares	(ii)	**-**	391,988	**-**	-
Conversion of debt instrument	(iii)	**-**	17,204	**-**	3,161
Issuance of shares pursuant to the reimbursement of acquisition expense to Starland Holdings Limited	(iv)	**-**	6,547	**-**	822
Issuance of shares pursuant to IPO		**-**	80,770	**-**	14,715
Issuance of shares to sponsor		**-**	2,549	**-**	464
Issuance of adjustment shares pursuant to CB conversion	(v)	**-**	10,000	**-**	1,869
Capitalised IPO costs		**-**	-	**-**	(895)
At end of year		**509,785**	509,785	**32,450**	32,450

The Company		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		No. of ordinary shares			
		'000	'000	CHF'000	CHF'000
Issued and fully paid, with no par value:					
At beginning of year		**509,785**	-*	**32,450**	-*
Share swap pursuant to the restructuring exercise	(i)	**-**	727	**-**	12,314
Sub-division of shares		**-**	391,988	**-**	-
Conversion of debt instrument	(iii)	**-**	17,204	**-**	3,161
Issuance of shares pursuant to the reimbursement of acquisition expense to Starland Holdings Limited	(iv)	**-**	6,547	**-**	822
Issuance of shares pursuant to IPO		**-**	80,770	**-**	14,715
Issuance of shares to sponsor		**-**	2,549	**-**	464
Issuance of adjustment shares pursuant to CB conversion	(v)	**-**	10,000	**-**	1,869
Capitalised IPO costs		**-**	-	**-**	(895)
At end of year		**509,785**	509,785	**32,450**	32,450

* Less than CHF1,000 / 1,000 number of shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11 Share capital (Cont'd)

(i) Acquisition of ayondo Holdings AG

On 4 October 2017, the existing shareholder of ayondo Holding AG incorporated ayondo Ltd. with $1 share capital. During the year, the Company acquired 727,250 shares, representing approximately 99.97% of the issued and paid-up capital of ayondo Holdings AG. The Company became the holding company of ayondo Holding AG following the completion of the acquisition. The aggregate consideration of the entire issued and paid-up share capital of ayondo Holdings AG was CHF12,314,000 based on the consolidated Net Asset Value of ayondo Holding AG and its subsidiaries. The consideration was fully satisfied by the allotment and issuance of 727,250 shares of the Company.

(ii) Sub-division of shares

On 12 March 2018, 727,251* shares in the capital of the Company were sub-divided into 391,988,289 shares. The sub-division ratio was of every 1 share into 540 shares.

* Includes share of 1 as of the date of incorporation

(iii) Conversion of debt instruments

On 13 March 2018, certain holders of the Pre-IPO redeemable convertible loans (Note 16) with principal amount of approximately CHF2,095,000 and a derivative liability of CHF1,066,000 have elected to convert the Pre-IPO redeemable convertible loans into the shares of the Company. The Company issued and allotted 17,204,048 shares to such holders. The conversion resulted in the derecognition of the carrying amount of the liability component, derivative liability representing the equity conversion option with a corresponding increase in share capital.

In the financial year ended 31 December 2017, conversion of debt instrument represents the redemption of "third convertible bond" (Note 16) with a principal amount of $6,700,000, in which it was exchanged into 48,855 shares ("Conversion Shares") at an exercise price of CHF97 per share. The Conversion Shares were issued on 23 April 2015 and held in trust by the Directors in the interests of the Company. The Conversion Shares held in trust were distributed to the bondholders upon redemption. The redemption resulted in the de-recognition of the carrying amount of liability component and the equity conversion option with a corresponding increase in share capital.

(iv) Reimbursement of acquisition expense to Starland Holdings Limited

On 27 October 2017, the Company and Starland Holdings Limited ("Starland") have entered into an agreement to reimburse Starland the acquisition expenses comprising third-party professional fees amounting to $1,140,000 as the proposed reverse take-over did not complete. The Company and Starland mutually agreed that the acquisition expenses will only be reimbursed upon successful listing and the acquisition expense shall be automatically converted into the shares of the Company. Accordingly, 6,547,324 shares were issued to Starland.

(v) Issuance of adjustment shares pursuant to CB conversion

On 15 March 2018, the Company entered into a settlement agreement with its investors relating to the First and Second convertible bonds. Under the settlement agreement, the Company issued 10,000,0000 shares of the Company to the investors on a pro rata basis based on the investment amounts as an adjustment of the conversion price under the first and second convertible bond. The shares were issued and allocated in full on 15 March 2018.

12 Merger reserve

The Group	31 December 2019 CHF'000	31 December 2018 CHF'000
At beginning of year	**50,536**	-
Merger reserve from restructuring [(3)]	**-**	50,098
Share swap pursuant restructuring (Note 11) [(1)]	**-**	(12,314)
Capital contribution [(2)]	**-**	12,752
Deconsolidation of subsidiaries	**(50,536)**	-
At end of year	**-**	50,536

(1) This represents the aggregate consideration for the acquisition of the entire issued and paid-up share capital of ayondo Holdings AG, in which the consideration was fully satisfied by the allotment and issuance of 727,520 shares of the Company

(2) This represents the conversion of CB 1 and CB 2 (refer to Note 16) with principal amount of CHF5,500,000 and $5,000,000 respectively, in which they were exchanged into 43,705 and 48,855 ayondo Holdings AG shares respectively.

(3) The merger reserve represents the difference between the consideration paid and the aggregate of share capital of the entities acquired during the restructuring exercise.

13 Other reserves

	The Group		The Company	
	31 December 2019 CHF'000	31 December 2018 CHF'000	31 December 2019 CHF'000	31 December 2018 CHF'000
Foreign currency translation reserve	**-**	(597)	**-**	-
Employee share-based payments reserve (Note 27)	**2,988**	2,988	**2,988**	2,988
Premium paid on acquisition of non-controlling interest	**-**	(3,153)	**-**	-
	2,988	(762)	**2,988**	2,988

(a) Foreign currency translation reserve

The foreign currency translation reserve represents translation differences arising from the translation of the financial statements of entities within the Group whose functional currencies are different from that of the Group's presentation currency.

The Group	31 December 2019 CHF'000	31 December 2018 CHF'000
At beginning of year	**(597)**	(491)
Net effect of translation differences: arising from translation of financial statements of foreign operations	**597**	(106)
At end of year	**-**	(597)

13 Other reserves (Cont'd)

(b) Premium paid on acquisition of non-controlling interest

The Group	31 December 2019 CHF'000	31 December 2018 CHF'000
At beginning of year	**(3,153)**	(3,153)
Deconsolidation of subsidiaries	**3,153**	-
At end of year	**-**	(3,153)

14 Employee benefit liabilities

ayondo Holding AG was placed under liquidation on 22 August 2019. No actuarial valuation of the defined benefit liability subsequent to 31 December 2018 had been performed.

Legal framework and responsibilities

ayondo Holding AG operates a defined plan based on pensionable remuneration and length of service for qualifying employees of ayondo Holding AG as prescribed by the Swiss legislation.

The defined benefit plan is administered by a separate collective fund that is legally separated from the entity. In accordance with the legal provisions, the board of the pension fund is independent from ayondo Holding AG and is responsible for the management and governance of the plan. The board of the pension fund is composed of an equal number of representatives from both employer and employees.

The assets are invested collectively within the scope of a re-insurance agreement.

Pension scheme

Under the plan, the employees are entitled to post-retirement amounting to the amount accrued in the individual member's saving accounts as well as a minimum interest on those savings.

At retirement date, the saving accounts are converted into pensions at a legal conversion rate. Members may opt to receive the pension as a lump sum.

The benefits to be paid to dependents plan members (widow and orphan benefits) vary depending on the respective plan and are determined either in percentage of the insured salary or the estimated retirement pension.

No other post-retirement benefits were granted to the employees.

Funding

The plan is a cash balance plan, where contributions are expressed as a percentage of the pensionable salary. The contributions are split between employer and employee. The law requires that the employer bears a minimum of 50% of the contributions; higher contributions are allowed. ayondo Holding AG bears 60% of the contributions, the other 40% are borne by the employees.

Significant events

During the financial year ended 31 December 2018, the Group recorded a gain of CHF581,000 as a result of a curtailment that reduced the number of the employees covered under the defined benefit plan.

14 Employee benefit liabilities (Cont'd)

Risk related to the defined benefit plans
The collective fund may at any time change the funding scheme. As long as the entity is joining a plan with full insurance character, no pension deficit can occur. However, the collective fund may terminate the insurance agreement, and the entity would then need to arrange a new insurance agreement with another collective fund.

Asset-liability matching
The pension fund bears all actuarial and investment risks. The board of the pension fund is responsible for the assets management. The investments strategy has been defined in such a way that the regulatory benefits can be paid at their maturity date.

The principal assumptions used for accounting purposes for the year ended 31 December 2018 were as follows:

The Group	**31 December 2019 %**	31 December 2018 %
Discount rates	-	0.90
Expected rates of salary increase	-	0.50

The following table summarises the components of net benefit expense and the funded status recognised in the consolidated financial statements for the year ended 31 December 2018:

The Group	**2019 CHF'000**	2018 CHF'000
Net benefit expense		
Current service cost	-	58
Past service cost	-	(581)
Interest cost on benefit obligation	-	13
Interest on plan asset	-	(9)
Administrative cost	-	1
Net benefit expense	-	(518)

Re-measurement of net defined benefit obligations for the year ended 31 December 2018:

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Defined benefit cost recognised in OCI		
Actuarial loss on defined benefit obligation	-	(115)
Return on plan assets excluding interest income	-	(28)
Defined benefit cost recognised in OCI	-	(143)

14 Employee benefit liabilities (Cont'd)

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Present value of defined benefit obligation	**-**	752
Fair value of plan assets	**-**	(653)
Net liability arising from defined benefit obligation	**-**	99

Reconciliation in net defined benefit liability:

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Net defined benefit liability at beginning of year	**99**	797
Defined benefit cost recognised in profit or loss	**-**	(519)
Defined benefit cost recognised in OCI	**-**	(143)
Contributions by the employer	**-**	(36)
Deconsolidation of subsidiaries (Note 25)	**(99)**	-
Net defined benefit liability at end of year	**-**	99

Changes in present value of defined benefit obligations are as follows:

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
At beginning of year	**752**	2,761
Interest cost	-	13
Current service cost	-	58
Benefits paid	-	(1,408)
Contribution by plan participants	-	24
Past service cost	-	(581)
Actuarial gains recognised in other comprehensive income	-	(115)
Administrative cost	-	-
At end of year	**752**	752

The changes in the fair value of plan assets were as follows:

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
At beginning of year	**653**	1,964
Interest income	**-**	9
Contributions by employer	**-**	36
Contributions by plan participants	**-**	24
Benefits paid	**-**	(1,408)
Return on plan assets excluding interest income	**-**	28
At end of year	**653**	653

15 Borrowings

	The Group		The Company	
	31 December 2019 CHF'000	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Current liabilities				
Loan 1	**856**	-	**856**	-
Non-current liabilities				
Loan 2	**547**	-	**547**	-
Loan 3	**486**	-	**486**	-
	1,033	-	**1,033**	-
	1,889	-	**1,889**	-

Loan 1
Loan 1 from an unrelated corporate lender is unsecured and bears interest at 8% per annum.

Loan 2
Loan 2 from an unrelated corporate lender bears interest at 15% per annum, and is unsecured and repayable on 30 June 2021.

Loan 3
On 20 August 2019, the Company obtained an unsecured interest-free loan of CHF547,000 from an unrelated individual lender which is repayable on 18 August 2022.

Loan 1 and Loan 3 will be converted into convertible notes subject to certain conditions, including approval of the shareholders at an extraordinary general meeting.

16 Convertible debt securities

First convertible bond
In 2014, ayondo holding AG issued convertible bonds in the principal amount of CHF5,500,000 to various investors which is denominated in the functional currency of the issuer. The bonds were disbursed by the investors in 2 tranches at two different completion dates subsequent to the fulfilment of the conditions in the agreement.

The maturity date of the bonds was 4 years from the date of issuance, carries nil interest for the first 2 years, 4% per annum interest for the third year and 8% per annum interest for the fourth year and bore an overdue interest of 5% per annum on all overdue payment.

The investors had the option to convert the principal amount and any accrued and unpaid interests of the bonds into ordinary shares of ayondo Holding AG at a subscription price of (i) CHF83 per share or (ii) at any subsequently adjusted price which represented a valuation of CHF38,000,000 of ayondo Holding AG on a fully diluted basis subject to adjustments according to Swiss Code of Obligations, upon the earliest of the following events:

(i) at an IPO of the wholly-owned subsidiary or ayondo Holding AG;
(ii) a change in control of the wholly-owned subsidiary or ayondo Holding AG; or
(iii) at the absolute discretion of the investors after the first anniversary of the date of issuance of the bonds.

16 Convertible debt securities (Cont'd)

First convertible bond (Cont'd)
Upon the conversion of the bonds, ayondo Holding AG undertook to issue to the investors such number of free warrants, pro rata their investment, with an aggregate exercise price equivalent to 20% of the principal amount of the bonds, with an expiry date of 2 years from the warrants' issuance date.

The investor also had the option to redeem all the bonds then outstanding at principal together with any outstanding interests on the maturity date or occurrence of an event of default (unless waived by the investors) (collectively termed as Redemption Event).

If the redemption was triggered by an event of default, ayondo Holding AG was required to pay an additional annual premium of 12% calculated on a per annum basis from the date of issuance of the bond to the repayment date.

Upon occurrence of a Redemption Event, ayondo Holding AG undertook to issue to the investors additional free warrants with an aggregate exercise price equivalent to 30% of the value of the principal amount outstanding at the time of the occurrence of the Redemption Event, with an expiry date of 2 years from the redemption date.

In January 2014, ayondo Holding AG issued 13,254 free warrants respectively with an exercise price of CHF83 per share to the investors, in which the warrants were to expire 2 years after the date of issue of the warrants. The expiry dates of the free warrants was extended to 31 December 2018.

Second convertible bond
In 2014, a wholly owned subsidiary of ayondo Holding AG issued convertible bonds in the principal amount of $5,000,000 (CHF3,685,000) to various investors, which was denominated in the functional currency of the issuer.

The terms of the second convertible bond inclusive of the warrant issuance were similar to the terms of the first convertible bond.

In August 2014, ayondo Holding AG issued 8,742 free warrants respectively with an exercise price of CHF83 per share to the investors, in which the warrants were to expire 2 years after the date of issue of the warrants. The expiry dates of the free warrants was extended to 31 December 2018.

Third convertible bond
On 20 April 2015, a wholly owned subsidiary of ayondo Holding AG issued convertible bonds in the principal amount of $6,700,000 (CHF4,890,000) to various investors, which was denominated in the functional currency of issuer.

The maturity date of the bonds was 2 years from the date of issuance, carried an interest rate of 8% per annum after the first anniversary of the date of issuance and bore an overdue interest of 5% per annum on all overdue payment.

The bonds were convertible into 48,855 of ayondo Holding AG's shares, determined on the issuance date of the convertible bonds.

The principal amount of the bonds could be converted upon the earliest of the following events:
(i) at the maturity date, 20 April 2017;
(ii) at an IPO of ayondo Holding AG;
(iii) a change in control of ayondo Holding AG; or
(iv) at the absolute discretion of the investors prior to the maturity date.

16 Convertible debt securities (Cont'd)

Third convertible bond (Cont'd)
The investors had the discretion to redeem all outstanding bonds prior to the maturity date if certain event of defaults occurred. The redemption price was at the subscription price together with accrued and unpaid interest at the redemption date plus an additional premium of 12% calculated on a per annum basis on the principal amount from the issuance date of the convertible bonds to the repayment date.

Upon conversion of the principal amount of the bonds into fixed number of ayondo Holding AG's or occurrence of the redemption event, ayondo Holding AG undertook to issue 24,429 free warrants to the investors with an exercise price of CHF97 for each ayondo Holding AG's share. The warrants' expiry date was on 30 September 2017. On 22 June 2017, a wholly owned subsidiary of ayondo Holding AG extended the expiry date to 31 December 2018 for the remaining 765 unexercised warrants.

As at 31 December 2017, 21,772 warrants in relation to the first and second convertible bonds had been exercised by the investors with an exercise price of CHF83 per share and 23,914 warrants in relation to the third convertible bonds had been exercised by the investors with an exercise price of CHF97 per share. The warrants were derecognised upon the conversion/repayment of the convertible bonds in 2018.

Pre-IPO Redeemable Convertible Loans
Pursuant to the Pre-Initial Public Offering ("IPO") Convertible Loan Agreements in October 2017, existing loans from related parties as at 30 September 2017 amounting to CHF5,092,754 were converted into Redeemable Convertible Loan ("RCL"). In addition to the conversion of existing loans from related parties, new RCL with principal amount of CHF1,558,168 were issued to various investors on 1 October 2017.

The maturity date of the RCLs was 30 September 2018. The RCLs with the notional amount of CHF4,992,754 bearing simple interest rate at the rate of 8.0% per annum commencing from 1 October 2017, which was due and payable in arrears in cash upon conversion if the RCLs are converted into new ordinary shares of the Company ("Conversion Shares"). The RCL holders had the option to convert into conversion shares no later than 7 days prior to lodgement of the IPO offer document.

The RCLs with the notional amount of CHF1,658,168 bore simple interest rate at the rate of 8.0% per annum commencing from 1 October 2017, which was due and payable in arrears only on maturity date, if the conversion of RCL into the Conversion Shares did not occur due to whatsoever reason. In the event that the RCL was converted into Conversion Shares, no interest was payable on the RCL.

The issue price of the Conversion Shares was based a 33% discount of the IPO price. The RCL holders had the option to elect to convert the RCLs (in whole and not in part) into the Conversion Shares. In the event that the RCLs was not converted into the Conversion Shares, the Company was required to repay the RCLs and all accrued and unpaid interest.

All the abovementioned convertible bonds were converted/redeemed during the year ended 31 December 2018.

16 Convertible debt securities (Cont'd)

The carrying amount of the Bonds at the end of the reporting period was arrived at as follows:

The Group	31 December 2019 CHF'000	31 December 2018 CHF'000
Bonds at beginning of year	-	20,726
Derivative liability component at initial recognition	-	(7,271)
Equity component at initial recognition	-	(4,563)
Liability component of the Bonds at initial recognition	-	8,892
At beginning of year	-	4,701
Amortisation of discount during the year	-	2,937
Repayment of interest coupon	-	(768)
Conversion during the year	-	(11,271)
Redemption during the year	-	(4,393)
Translation difference	-	(98)
At end of year	-	(8,892)
Liability component of the Bonds at end of year	-	-

The Group	31 December 2019 CHF'000	31 December 2018 CHF'000
Derivative liability component of the Bonds:		
At beginning of year	-	6,904
Addition during the period	-	-
Fair value change	-	(2,197)
Conversion during the year	-	(4,692)
Translation difference	-	(15)
At end of year	-	-

17 Trade and other payables

	The Group		The Company	
	31 December 2019 CHF'000	31 December 2018 CHF'000	31 December 2019 CHF'000	31 December 2018 CHF'000
Trade payables	-	2,013	-	-
Client fund liabilities	-	34,529	-	-
Other payables	268	344	268	-
Accruals	1,113	2,987	1,113	745
Due to related companies	-	-	-	1,162
Value Added Tax payable	-	137	-	-
Provisions	-	11	-	-
Total trade and other payables	1,381	40,021	1,381	1,907
Less: Value Added Tax payable	-	(137)	-	-
Total financial liabilities carried at amortised cost	1,381	39,884	1,381	1,907

At 31 December 2018, trade payables and other payables were non-interest bearing and normally settled on 30 to 90-day terms.

Client fund liabilities included liabilities to both retail and professional clients.

18 Loans from related parties

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Loans from related parties	**-**	291

As at 31 December 2018, loans from related parties were unsecured, and bore interest at 8% per annum.

19 Loan from a former director

	The Group		**The Company**	
	31 December 2019 CHF'000	31 December 2018 CHF'000	**31 December 2019 CHF'000**	31 Decembe r 2018 CHF'000
Loan from a former director	**32**	-	**32**	-

Loan from a former director bears interest at 7% per annum and is unsecured and repayable on 23 May 2020.

20 Other income

	Continuing operations		**Discontinued operations**		**Total**	
The Group	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000
Exchange gain (Note 23)	**266**	-	**-**	-	**266**	-
Reversal of over accrued expense in prior year	**-**	-	**-**	15	**-**	15
Others	**-**	-	**-**	25	**-**	25
	266	-	**-**	40	**266**	40

21 Staff expenses

	Continuing operations		**Discontinued operations**		**Total**	
The Group	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000
Staff expenses (including directors):						
Salaries and bonuses	**17**	1,546	**-**	4,384	**17**	5,930
Defined contributions expenses	**-**	39	**-**	53	**-**	92
Employee share-based payments (Note 27)	**-**	-	**-**	464	**-**	464
Employee benefit liability expense	**-**	-	**-**	(555)	**-**	(555)
Other short-term benefits	**33**	-	**-**	332	**33**	332
	50	1,585	**-**	4,678	**50**	6,263

22 Marketing expenses

	Continuing operations		Discontinued operations		Total	
	2019	2018	**2019**	2018	**2019**	2018
The Group	**CHF'000**	CHF'000	**CHF'000**	CHF'000	**CHF'000**	CHF'000
Marketing expenses	**-**	12	**-**	1,904	**-**	1,916

Marketing expenses comprised of Google marketing (YouTube pre-rolls, adwords search and display ads), display banners on regular financial websites, events and fairs, TV spots in Germany and the UK, sport sponsoring and the production of brochures and corporate items. Content production for Blogs, Social Media and educational webinars or books is part of the marketing expenditure. Media services relates to TV broadcasting and advertising spots in Germany. There were no media services expenses incurred during the financial year ended 31 December 2019.

Notes to the financial statements

for the financial year ended 31 December 2019

23 Loss before taxation

The following items have been included in arriving at profit/(loss) for the year:

		Continuing operations		Discontinued operations		Total	
The Group	Note	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000	**2019 CHF'000**	2018 CHF'000
Gain on disposal of plant and equipment		**-**	-	**-**	(9)	**-**	(9)
Gain on disposal of subsidiary		**-**	-	**17,638**	-	**17,638**	-
Gain on deconsolidation of subsidiaries arising from liquidation		**-**	-	**2,423**	-	**2,423**	-
Depreciation of plant and equipment	3	**-**	-	**40**	84	**40**	84
Amortisation of IT platform development costs	4	**-**	-	**2**	1,180	**2**	1,180
Impairment of goodwill	4	**-**	-	**-**	33,360	**-**	33,360
Impairment of IT platform development costs	4	**-**	-	**-**	3,494	**-**	3,494
Impairment of investment securities	10	**-**	-	**-**	248	**-**	248
		-	-	**-**	37,102	**-**	37,102
Share-based payment expense		**-**	-	**-**	464	**-**	464
IT costs		**-**	-	**-**	1,687	**-**	1,687
Audit services		**109**	259	**-**	77	**109**	336
Non-audit services		**-**	-	**-**	32	**-**	32
Reporting accountant fees		**-**	9	**-**	-	**-**	9
Legal, other professional fees and consultancy fees		**501**	1,780	**-**	289	**501**	2,069
Value Added Tax charges		**-**	-	**-**	797	**-**	797
Regulatory fees		**-**	-	**-**	825	**-**	825
Research expenses		**-**	-	**-**	652	**-**	652
Operating lease expenses		**-**	-	**-**	622	**-**	622
Bank charges		**1**	-	**-**	660	**1**	660
Travel related expenses		**-**	-	**-**	210	**-**	210
Net translation exchange (gain)/loss	20	**(266)**	7	**-**	547	**(266)**	554
Finance costs on loans from related parties		**-**	-	**-**	36	**-**	36
Finance cost on loan from a former director		**1**	-	**-**	-	**1**	-
Finance costs on loan from third parties		**111**	-	**-**	-	**111**	-
Convertible bond finance cost	16	**-**	-	**-**	2,937	**-**	2,937
		112	-	**-**	2,973	**112**	2,973
Changes in fair value of embedded derivatives of convertible bonds	16	**-**	-	**-**	(2,197)	**-**	(2,197)

During the financial year ended 31 December 2018, included in the research expenses was an amount of CHF448,000 relating to work performed by one of its external IT consultancy companies.

24 Income tax expense

The Group	2019 CHF'000	2018 CHF'000
Current tax expense		
Current income tax credit	-	(574)

Reconciliation of tax expense:

The Group	2019 CHF'000	2018 CHF'000
Profit/(loss) before taxation		
- Continuing operations	**(1,662)**	(5,922)
- Discontinued operations (Note 25)	**16,305**	(44,891)
	14,643	(50,813)
Tax at domestic rates applicable to profits in the countries where the Group operates	**2,489**	(11,925)
Tax effect on non-deductible expenses	**(2,489)**	9,092
Effect of research and development tax credits	-	(574)
Deferred tax asset not recognised	-	2,833
	-	(574)

The corporate income tax rates for all years applicable to Switzerland, Singapore, Germany and the United Kingdom were 8.50%, 17.00%, 30.00% and 20.00% respectively, for the year ended 31 December 2018.

At 31 December 2018, the Group had tax losses of CHF63,693,000 that were available for offset against future taxable profit of the companies in which the losses arose. Deferred tax assets had not been recognised in respect of these losses and temporary differences due to unpredictability of future profit streams against which these tax losses could be utilised. The use of these tax losses was subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operated.

The Group did not compute tax losses for subsidiaries disposed of and placed under liquidation (Note 5) during the current financial year ended 31 December 2019 due to unavailability of accounting records.

Research and development tax credits represented amounts claimed from HM Revenue & Customs in the UK in respect of research and development relief on expenditure incurred by ayondo Markets Limited. Where a UK company is in a loss-making position, expenditure incurred in prescribed qualifying research and development projects is used to compute a taxation credit that is refunded to the Group each year on the submission of a qualifying claim.

The Company, as an investment holding company, is not allowed to carry forward its tax losses.

25 Discontinued operations

During the current financial year, the Group disposed of its key operating subsidiary, ayondo Markets Ltd (Note 5), and filed for insolvency proceedings with courts in Germany for liquidation of subsidiaries' assets (Note 5).

Disposal of subsidiary
On 5 June 2019, the Group disposed of its key operating subsidiary, ayondo Markets Ltd ("AML") to BUX Holding B.V. (the "Acquirer"). The sale proceeds of CHF7,175,000 (GBP5.7 million) was applied towards settlement of amounts owed by the Company and subsidiaries to AML.

The carrying amounts of assets and liabilities at the disposal date 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, and the cash flows arising from loss of control are as follows:

	2019 CHF'000
Plant and equipment	18
Intangible assets	26
Trade and other receivables	736
Cash and bank balances	753
Segregated client funds	30,900
Trade and other payables	(42,348)
Bank overdraft	(548)
Net identified liabilities on disposal	(10,463)
Proceeds from sale	(7,175)
Gain on disposal of subsidiary	(17,638)
Proceeds from sale	7,175
Utilisation of proceeds as settlement of the Group entities' amounts due to AML	(7,175)
Cash and cash equivalent disposed of (cash and bank balances less bank overdraft)	(205)
Net cash outflow on disposal of subsidiary	(205)

Deconsolidation of subsidiaries
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.

Arising therefrom, these subsidiaries, together with other subsidiaries of ayondo Holding AG, were deconsolidated from the Group's financial statements effective the respective liquidation dates (the "Liquidation Dates") at which the Company lost control over these subsidiaries whose management of affairs were managed to the court-appointed insolvency administrator.

Notes to the financial statements

for the financial year ended 31 December 2019

25 Discontinued operations (Cont'd)

Deconsolidation of subsidiaries (Cont'd)

The carrying amounts of assets and liabilities at the Liquidation Dates based on management accounts are as follows:

	2019 CHF'000
Trade and other receivables	**385**
Cash and bank balances	**198**
Trade and other payables	**(2,962)**
Bank overdraft	**(11)**
Employee benefit liabilities	**(99)**
Non-controlling interest	**66**
Gain on deconsolidation of subsidiaries arising from liquidation	**(2,423)**
Net cash outflow on deconsolidation of subsidiaries	**(187)**

Financial performance of subsidiary disposed of and subsidiaries deconsolidated arising from liquidation

	2019 CHF'000	2018 CHF'000
Net operating income	**2,009**	8,296
Other income	**19**	40
Impairment of goodwill	**-**	(33,360)
Impairment of intangible assets	**-**	(3,494)
Impairment of investment securities	**-**	(248)
Marketing expenses	**(100)**	(1,904)
Operating expenses	**(5,333)**	(11,250)
Finance costs	**(351)**	(2,973)
Loss before tax	**(3,756)**	(44,891)
Income tax expense	**235**	574
Loss from discontinued operations	**(3,521)**	(44,317)

The impact of the discontinued operations on the cash flow of the Group

	2019 CHF'000	2018 CHF'000
Net cash inflow/(outflow) from operating activities	**146**	(11,964)
Net cash outflow from investing activities	**(411)**	(5,023)
Net cash inflow from financing activities	**-**	17,308
Net (decrease)/increase in cash of subsidiaries	**(265)**	321

26 Earnings/(loss) per share

The Group	2019 CHF'000	2018 CHF'000
Loss from continuing operations	**(1,662)**	(5,922)
Profit/(loss) from discontinued operations	**16,540**	(44,317)
Profit/(loss) attributable to equity holders of the Company	**14,878**	(50,239)

The Group	31 December 2019 No. of shares '000	31 December 2018 No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	**509,785**	504,446
Weighted average number of ordinary shares for diluted earnings per share computation	**640,468**	504,446

The Group	2019 CHF	2018 CHF
From continuing operations		
Loss per share:		
Basic	**(0.003)**	(0.012)
Diluted	**(0.003)**	(0.012)
From discontinued operations		
Earnings/(loss) per share:		
Basic	**0.026**	(0.088)
Diluted	**0.026**	(0.088)
From both continuing and discontinued operations		
Earnings/(loss) per share:		
Basic	**0.023**	(0.100)
Diluted	**0.023**	(0.100)

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to equity owners of the Company by the weighted average number of ordinary shares for basic loss per share computation and dividing the loss for the year attributable to equity owners of the Company.

The diluted loss per share is the same amount as the basic loss per share because the outstanding employee share options (2018 - outstanding employee share options and convertible loans/bonds) are considered anti-dilutive.

27 Employee share-based payments reserve

Employee share-based payments reserve relates to the equity-settled share awards granted by the Group to employees of the Group. This reserve is made up of cumulative value to services received from employees recorded over the vesting period commencing from the grant date of the shares. The expense for services received was recognised over the vesting period.

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
At beginning of year	**2,988**	2,524
Modification of share option scheme	**-**	398
Grant of shares options to employees [1]	**-**	66
Total share-based payment expense	**-**	464
At end of year (Note 13)	**2,988**	2,988

[1] This represents cost of share-based payments recognised in statement of comprehensive income, with a corresponding increase in the employee share-based payments reserve, over the vesting period for shares granted in previous year.

ayondo Employee Share Option Scheme

Share options had been granted to the Group's employees, directors and consultants by ayondo Holdings AG ("AG Options"), giving them the right to purchase shares in ayondo Holdings AG. The exercise price of the options is equal to the market price of the shares on the date of the grant. The options generally become exercisable over four years (with approximately 25 percent of the total grant vesting each year on the anniversary of the grant date or 25% at the end of the first year, 25% at the end of the second year and 50% at the end of the end of the 4th year). There are no cash settlement alternatives except for in the event of termination of the employment relationship upon death of the employee.

On 12 March 2018, the Company granted pre-IPO options to replace all the AG Options. There was no option purchase price and all the pre-IPO options would be vested on the listing date. As such, share based payment expenses of CHF398,000 was recognised pursuant to the modification of the employee share option plan due to the accelerated vesting date upon listing.

The Pre-IPO Options, which were granted in exchange for the cancellation and replacement of the AG Options were determined on the following basis:
(i) the conversion on the basis of one AG Option for 540 shares per Pre-IPO Option; and
(ii) the conversion translation rate of CHF1.00 to approximately $1.40.

27 Employee share-based payments reserve (Cont'd)

ayondo Employee Share Option Scheme (Cont'd)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, stock options during the year.

The Group	**2019 No.**	2018 No.
Outstanding at beginning of year	**47,017,800**	95,270
Conversion from AG Options to pre-IPO options	**-**	51,350,530
Granted during the year	**-**	-
Forfeited during the year	**(16,297,200)**	(4,428,000)
Outstanding at end of year [1]	**30,720,600**	47,017,800

The Group	**2019 WAEP**	2018 WAEP
Outstanding at beginning of year	**$0.22**	CHF85.0
Conversion from AG Options to pre-IPO options	**-**	$0.22
Granted during the year	**-**	-
Forfeited during the year	**$0.22**	$0.23
Outstanding at end of year [1]	**$0.22**	$0.22

[1] The range of exercise prices for options outstanding at the end of the year was $0.003 to $0.26 (2018 - $0.003 to $0.26). The weighted average remaining life for these options is 5.41 years (2018 - 6.35 years).

Information on fair value

The fair value of stock options granted in connection with stock incentive plans and rights granted in connection with the employee stock purchase plan as at the date of grant was estimated using actuarial valuations, taking into account the terms and conditions upon which the options and the rights were granted. The following table lists the inputs to the model used:

The Group		**2019**	2018
Employee stock option			
Dividend yield	(%)	**0.0**	0.0
Volatility	(%)	**25.0**	25.0
Risk-free interest rate	(%)	**0.452**	0.452
Expected life	(years)	**4**	4
Weighted average stock price	(CHF)	**100**	100

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

28 Related party transactions

(a) Sale and purchase of goods and services

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

The Group	**2019 CHF'000**	2018 CHF'000
Expense		
Interest expense paid to:		
- Related parties	-	31
- Shareholders of the Group in relation to convertible bonds	-	870
Purchase of IT services [1]	-	867
Payment for consulting services [2]	-	108

[1] The Group entered into a contract for the provision of IT services with a firm of which the Chief Executive Officer, is the Principal Technology Consultant of the Group.
[2] The Chief Talent Officer and General Counsel of the Group, had an interest in a company which provides consulting services to the Group.

(b) Compensation of key management personnel

The Group	**2019 CHF'000**	2018 CHF'000
Short-term employee benefits	#	1,848
Comprise amounts paid to:		
Directors of the Company	#	609
Other key management personnel	#	1,239
	#	1,848

Disclosure of key management personnel compensation for the year ended 31 December 2019 is not presented due to unavailability of information.

At the end of the reporting period, the total number of outstanding share options granted by the Company to the abovementioned directors under the employee stock options plan amount to 20,109,600 (2018 - 20,109,600) under the existing share option scheme.

29 Commitments

Future minimum lease payments payable under non-cancellable operating leases related to office premises were as follows:

The Group	31 December 2018 CHF'000
Not later than one year	465
Later than one year not later than five years	605
	1,070

30 Financial risk management

The Group is exposed to financial risks arising from its use of financial instruments. The key financial risk is liquidity risk for the year ended 31 December 2019 subsequent to deconsolidation of subsidiaries (Note 5) during 2019. The key financial risks for the year ended 31 December 2018 comprised client credit risk, credit institution credit risk, liquidity risk, foreign currency risk, market risk and concentration risk.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	**Financial assets at amortised cost CHF'000**	**Financial liabilities at amortised cost CHF'000**	**Total CHF'000**
31 December 2019			
Financial assets			
Trade and other receivables (Note 6)	**4**	**-**	**4**
Cash and bank balances (Note 9)	**31**	**-**	**31**
	35	**-**	**35**
Financial liabilities			
Trade and other payables (Note 17)	**-**	**1,381**	**1,381**
Borrowings (Note 15)	**-**	**1,889**	**1,889**
Loan from a former director (Note 19)	**-**	**32**	**32**
	-	**3,302**	**3,302**
31 December 2018			
Financial assets			
Trade and other receivables (Note 6) *	31,768	-	31,768
Derivative financial instruments (Note 8)	42	-	42
Cash and bank balances (Note 9)	1,594	-	1,594
	33,404	-	33,404
Financial liabilities			
Trade and other payables (Note 17) #	-	39,884	39,884
Loans from related parties (Note 18)	-	291	291
Derivative financial instruments (Note 8)	-	1,940	1,940
Bank overdraft (Note 9)	-	62	62
	-	42,177	42,177

* excludes prepayments
\# excludes Value Added Tax payable

30 Financial risk management (Cont'd)

The Company	Financial assets at amortised cost CHF'000	Financial liabilities at amortised cost CHF'000	Total CHF'000
31 December 2019			
Financial assets			
Trade and other receivables (Note 6) *	4	-	4
Cash and bank balances (Note 9)	31	-	31
	35	-	35
Financial liabilities			
Trade and other payables (Note 17)	-	1,381	1,381
Borrowings (Note 15)	-	1,889	1,889
Loan from a former director (Note 19)	-	32	32
	-	3,302	3,302
31 December 2018			
Financial assets			
Cash and bank balances (Note 9)	4	-	4
	4	-	4
Financial liabilities			
Trade and other payables (Note 17)	-	1,907	1,907

** Less than CHF1,000
* excludes prepayments
# excludes Value Added Tax payable

Client credit risk (prior to disposal and liquidation of subsidiaries)
The Group operated a real-time mark-to-market leveraged trading facility where customers were required to maintain margin against positions, and any profits and losses generated by the customer were credited and debited automatically to their accounts. As with any leveraged product offering, there was the potential for a customer to lose more than they have deposited in their account. Client credit risk represented the risk associated with a client defaulting on their obligations due to the Group.

The Group's processes related to mitigation of client credit risk:

- Auto-liquidation: in the event that a customer account value dropped to a certain pre-determined threshold, the customer's account would automatically be liquidated. Upon liquidation, the customer would not be able to open any new positions and all open positions would be closed at the best price available.

- Client Risk Simulation: The Group maintained a credit risk model in which the following scenarios were identified and controlled:
  - Significant exposures to assets that were prone to 'gapping', low liquidity or geo-political events;
  - Where customers were carrying large positions and the collateral held was not sufficient to mitigate against simulated sudden shocks in the underlying asset price;
  - Where exposure to one asset (or a highly correlated group of assets) was large and concentrated amongst one or a small number of clients; and
  - Hedging scenarios which would compound the overall revenue impact to the Group in the event of adverse market movements.

30 Financial risk management (Cont'd)

Credit institution credit risk (prior to disposal and liquidation of subsidiaries) (Cont'd)
Credit institution credit risk was the risk that a credit institution will default on its contractual obligation to the Group resulting in a loss to the Group. The Group had relationships with a number of counterparties that provided brokerage and/or banking services.

The Group maintained accounts with several credit institutions to reduce over-reliance on a single credit institution. The Group closely monitored the credit quality of the credit institutions by tracking their credit ratings issued by Standard and Poor's long-term issuer credit ratings. Where there was a change of credit ratings of these credit institutions, the Group would perform the appropriate changes to mitigate the credit risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company does not hold any variable rate financial assets or financial liabilities.

Foreign currency risk (prior to disposal and liquidation of subsidiaries)
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign translation rates. Currency risk arises when transactions are dominated in foreign currencies.

Foreign currency risk arose in the normal course of the business. The Group entered into derivatives arrangements from time to time to mitigate any risks from exposure.

The Group entities' transactions were mainly transacted in the respective functional currencies. The net foreign currency risk impact was not material to the Group as the Group exposure was managed by natural hedge of matching assets and liabilities denominated in foreign currencies.

Market risk (prior to disposal and liquidation of subsidiaries)
The Group's financial risk exposure was calculated and monitored using the Group's internal risk management platform known as, "Global Risk Model". The Global Risk Model allowed its management, trading and risk management teams to monitor the group's exposures throughout the day, with access to risk management dashboards on mobile and desktop applications. The dashboard allowed for multi-functional, real-time monitoring and control of the risk management system and features pricing alerts and latency, asset class, turnover, exposure and profit and loss monitoring. Both client and hedge trades were monitored on real-time basis to provide the Group with net exposure data across all assets, providing breakdown of details of exposure. This exposure was managed on real-time basis according to the Group's approved risk strategy. The Group also maintained an Internal Capital Adequacy Assessment Process.

The Global Risk Model would send automated warnings to the dealers when pre-determined limits were breached. Thereafter, the dealers would trade via broker platforms and place instantaneous orders in the underlying market, thus automatically managing client exposures to levels commensurate with the Group's pre-determined risk limits.

Market risk is the risk of loss from adverse market movements. The primary market risk factors to which the Group was exposed were stock and index prices, interest rates, foreign translation rates and commodity prices. The Global Risk Model monitors the volatility and liquidity of all financial instruments via real-time modelling. Maximum risk limits were pre-determined by the Board and the Market Risk Committee and were expanded and contracted algorithmically within agreed levels. In addition, equity risk limits were allocated at differing levels of granularity, representing the extent of diversification within the risk book.

30 Financial risk management (Cont'd)

Concentration risk (prior to disposal and liquidation of subsidiaries)
The Group worked with whitelabel partners who introduced potential customers to the Group. In the event of a termination of the Group's relationship with their whitelabel partners and inability of find substitutions in a timely manner, the Group may suffer the risk of losing customers which will affect the Group's business and financial performance.

As at 31 December 2018, 54% of the Group's revenue was contributed by customers introduced by BUX B.V., a company registered in the Netherlands.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities
The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

		-------------Contractual undiscounted cash flows-------			
The Group	**Carrying amount CHF'000**	**Total CHF'000**	**Less than 1 year CHF'000**	**Between 2 and 5 years CHF'000**	**Over 5 years CHF'000**
31 December 2019					
Financial liabilities					
Trade and other payables	**1,381**	**1,381**	**1,381**	**-**	**-**
Borrowings	**1,889**	**1,937**	**1,415**	**522**	**-**
Loan from a former director	**32**	**32**	**32**	**-**	**-**
Total undiscounted financial liabilities	**3,302**	**3,350**	**2,828**	**522**	**-**
31 December 2018					
Financial liabilities					
Trade and other payables	40,021	40,021	40,021	-	-
Loans from related parties	291	291	291	-	-
Derivative financial instruments	1,940	1,940	1,940	-	-
Bank overdraft	62	62	62	-	-
Total undiscounted financial liabilities	42,314	42,314	42,314	-	-

30 Financial risk management (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The Company	Carrying amount CHF'000	Total CHF'000	Less than 1 year CHF'000	Between 2 and 5 years CHF'000	Over 5 years CHF'000
		------------Contractual undiscounted cash flows-------			
31 December 2019					
Financial liabilities					
Trade and other payables	**1,381**	**1,381**	**1,381**	**-**	**-**
Borrowings	**1,889**	**1,937**	**1,415**	**522**	**-**
Loan from a former director	**32**	**32**	**32**	**-**	**-**
Total undiscounted financial liabilities	**3,302**	**3,350**	**2,828**	**522**	**-**
31 December 2018					
Financial liabilities					
Trade and other payables	1,907	1,907	1,907	-	-
Total undiscounted financial liabilities	1,907	1,907	1,907	-	-

31 Fair values measurement

Definition of fair value
FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date,
Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
Level 3 : Unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

At 31 December 2019, there are no financial assets and liabilities measured at fair value.

31 Fair values measurement (Cont'd)

Fair value measurement of financial instruments (Cont'd)
The following table analyses the financial assets and financial liabilities measured at fair value as at 31 December 2018.

The Group	Level 1 CHF'000	Level 2 CHF'000	Level 3 CHF'000	Total CHF'000
2018				
Financial assets				
Derivative financial instruments	-	42	-	42
Financial liabilities				
Derivative financial instruments	-	1,940	-	1,940

Level 2 fair value measurements
The valuation of the convertible bonds and derivative financial instruments was based on binomial option valuation model to estimate the fair value of the convertible bonds and derivative instruments. This model incorporated various inputs including current share price, time to expiry, risk free rate, volatility, dividend yield and exchange price.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value
Trade and other receivables (Note 6), cash and bank balances (Note 9), borrowings (Note 15), trade and other payables (Note 17), loans from related parties (Note 18), and loan from a former director (Note 19).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments, or fixed rate instruments whereby the fixed rate approximate market interest rates on or near the end of the reporting period.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value
The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	31 December 2019		31 December 2018	
The Group	**Carrying amount CHF'000**	**Fair value CHF'000**	Carrying amount CHF'000	Fair value CHF'000
Financial assets				
Unquoted equity securities*	**	**	**	**

* Investment in equity instruments carried at cost less impairment loss.
** In accordance with SFRS(I) 9, the investment securities were classified and measured at fair value through profit and loss beginning 1 January 2018.

32 Prior year adjustments

The Company
During the financial year ended 31 December 2018, the Company recognised an impairment loss on advances to a subsidiary of CHF20,307,000. This receivable amount should have been offset against an amount of CHF1,015,000 due to that subsidiary to arrive at a net impairment loss of CHF20,192,000.

The current 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
The Company - Statement of financial position as at 31 December 2018			
Trade and other payables	**2,922**	**(1,015)**	**1,907**
Accumulated losses	**(38,330)**	**1,015**	**(37,315)**

33 Capital management
Prior to disposal and liquidation of subsidiaries, the primary objective of the Group's capital management was to ensure it maintains healthy capital ratios in order to support its business, maximise shareholder value as well as to comply with the capital adequacy requirements set by the UK's Financial Conduct Authority ("FCA") and other global regulators in jurisdictions in which the Group entities operated.

Prior to the Group's disposal of AML on June 2019 (Note 5, Note 25), AML, was required to maintain an Individual Capital Guidance CET1 Ratio of 13% as at 31 December 2018. As at 31 December 2018, as a result of the change in accounting treatment for the IT platform in the UK statutory financial statements in accordance to FRS 102 - The Financial Reporting Standard Applicable in the UK and Republic of Ireland and impairment of the Inter-company receivables, there was a negative impact on AML's CET1 ratio. AML required a capital injection to meet the regulatory capital requirements. This resulted in the sale of AML which was completed on 5 June 2019.

The Group manages its capital structure comprising principally of shareholders' equity and debt and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using Gearing Ratio, which is calculated using total liabilities divided by total equity.

The Group	**31 December 2019 CHF'000**	31 December 2018 CHF'000
Loans and borrowings	**1,921**	291
Trade and other payables	**1,381**	40,021
Bank overdraft	**-**	62
Less: Cash and bank balances	**(31)**	(1,594)
Net debt	**3,271**	38,780
Equity attributable to owners of the Company	**(3,267)**	(8,234)

34 Subsequent events

a) Liquidation of ayondo GmbH

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. 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.

b) Termination of WeTrade IP licence agreement

On 12 June 2020, the Company announced that arising from the insolvency of AYG and ayondo Holding AG, in accordance with the licence agreement entered into by the Company, AYG (in liquidation), and ayondo Holding AG (in liquidation) dated 22 July 2019 for the grant to the Company of the right to use, and unrestricted access to, all of the intellectual property rights associated with WeTrade ("WeTrade IP"), the Company had served a notice of termination to ayondo GmbH (in liquidation) and ayondo Holding AG (in liquidation). As such, the said licence agreement had been terminated with effect from the date of the notice. The Company no longer had any intention to use the WeTrade IP rights.

c) Reverse take-over

On 30 July 2020, the Company announced that the Company 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 as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the SGX-ST 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 SGX-ST.

35 Comparative information

Comparative figures have been restated due to prior year adjustments (Note 32) and presentation of discontinued operations related to disposal of a subsidiary and deconsolidation of subsidiaries on liquidation during the year ended 31 December 2019.

SHAREHOLDINGS STATISTICS

As at 24 JULY 2020

Issued and Fully Paid-Up Capital	- S$44,972,379.36
Number of Shares	- 783,267,291
Treasury Shares	- Nil
Subsidiary Holdings Held	- Nil
Class of Shares	- Ordinary Shares
Voting Rights	- 1 vote for each ordinary share

% of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares in issue (excluding treasury shares and subsidiary holdings) – 0%

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	0	0.00	0	0.00
100 -1,000	166	20.44	163,100	0.02
1,001 - 10,000	273	33.62	2,053,458	0.26
10,001 - 1,000,000	343	42.24	31,688,684	4.05
1,000,001 and above	30	3.70	749,362,049	95.67
TOTAL	**812**	**100.00**	**783,267,291**	**100.00**

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 24 July 2020, the percentage of shareholdings held in the hands of the public was approximately 49.06% and Rule 723 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

TOP 20 SHAREHOLDERS LIST

S/No	Name of Shareholder	Number of Shares	%*
1.	GOLDEN NUGGET JINZHUAN LIMITED	177,053,150	22.60
2.	MAMORU TANIYA	96,428,571	12.31
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	84,846,080	10.83
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	78,980,193	10.08
5.	DBS NOMINEES PTE LTD	78,246,620	9.99
6.	LUMINOR PACIFIC FUND 1 LTD	56,660,756	7.23
7.	LUMINOR PACIFIC FUND 2 LTD	44,514,009	5.68
8.	RAFFLES NOMINEES (PTE) LIMITED	34,033,904	4.35
9.	KWAN CHEE SENG	17,386,507	2.22
10.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	10,324,880	1.32
11.	GLOBAL MONEY VENTURES AG	8,767,710	1.12
12.	FOO FATT KAH	6,688,057	0.85
13.	RHB SECURITIES SINGAPORE PTE LTD	6,561,300	0.84
14.	STARLAND HOLDINGS LIMITED	6,547,324	0.84
15.	UOB KAY HIAN PTE LTD	5,861,300	0.75
16.	DB NOMINEES (SINGAPORE) PTE LTD	5,356,000	0.68
17.	HENRY CHEONG YING CHEW	4,018,369	0.51
18.	TERENCE TAN ENG CHUAN	4,018,369	0.51
19.	BALTISCHE BAUENTWICKLUNGSGESELLSCHAFT MBH	3,788,100	0.48
20.	DOMINIC ANTHONY MORRIS	2,968,178	0.38
	TOTAL	**733,049,377**	**93.57**

*The percentage of shareholdings is calculated based on the number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company as at 24 July 2020.

SHAREHOLDINGS STATISTICS

As at 24 July 2020

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	Percentage (%)[1]	Number of Shares	Percentage (%)[1]
Golden Nugget Jinzhuan Limited	177,053,150	22.60	-	-
Mamoru Taniya	96,428,571	12.31	-	-
Luminor Pacific Fund 1 Ltd	56,660,756	7.23	-	-
Luminor Pacific Fund 2 Ltd	44,514,009	5.68	-	-
Luminor Capital Pte. Ltd.[2]	-	-	44,514,009	5.68
Kwan Chee Seng[3]	17,386,507	2.22	51,061,333	6.52
Foo Fatt Kah[4]	6,688,057	0.85	44,514,009	5.68
Kwan Yu Wen[5]	-	-	44,514,009	5.68

Notes:

(1) The percentage of shareholdings is calculated based on the number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company as at 24 July 2020, being 783,267,291 ordinary shares.

(2) By virtue of section 4 of the SFA, Luminor Capital Pte. Ltd., being the fund manager, which manages Luminor Pacific Fund 2 Ltd. ("**LPF2**") on a discretionary basis is deemed interested in the 44,514,009 ordinary shares of the Company held by LPF2.

(3) Kwan Chee Seng is a director and shareholder of Luminor Capital Pte. Ltd., the fund manager of LPF2 which manages LPF2 on a discretionary basis. By virtue of Section 4 of the SFA, Kwan Chee Seng is deemed interested in the 44,514,009 ordinary shares of the Company held by LPF2. Starland Holdings Limited is a 83.2%-owned subsidiary of GRP Chongqing Land Pte. Ltd., a wholly-owned subsidiary of GRP Land Pte. Ltd. which is in turn wholly-owned by GRP Limited. Kwan Chee Seng has a shareholding interest of 35.5% in GRP Limited. By virtue of Section 7 of the Companies Act, Kwan Chee Seng is deemed interested in the 6,547,324 ordinary shares of the Company held by Starland Holdings Limited.

(4) Foo Fatt Kah is a director and shareholder of Luminor Capital Pte. Ltd., the fund manager of LPF2 which manages LPF2 on a discretionary basis. By virtue of Section 4 of the SFA, Dr Foo is deemed interested in the 44,514,009 ordinary shares of the Company held by LPF2.

(5) Kwan Yu Wen holds 20% of the share capital of Luminor Capital Pte. Ltd, the fund manager of LPF2 which manages LPF2 on a discretionary basis. By virtue of Section 4 of the SFA, Kwan Yu Wen is deemed interested in the 44,514,009 ordinary shares of the Company held by LPF2.