



AYONDO LTD.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2020**

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

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

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

IMPORTANT NOTES

- 1) The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.
- 2) In 2019, the Group disposed its key operating subsidiary, ayondo Markets Ltd ("**AML**") to BUX following the Extraordinary General Meeting on 3 June 2019. On 22 August 2019, an application has been filed with the competent court in Zug, Switzerland to commence insolvency proceedings over the assets of ayondo Holding AG ("**AHAG**") ("**AHAG Insolvency**"). Following from the AHAG Insolvency, the Group no longer controls AHAG and hence has deconsolidated AHAG from the Group in 3Q2019.
- 3) As at 31 March 2020, the Company is in a net working capital and liability position of CHF3.0 million. The unaudited financial results announcement for the 1Q2020 has been prepared on a going concern basis. The validity of the going concern basis on which the unaudited financial statements for 1Q2020 are prepared, is subject to the successful completion and issuance of the convertible notes. The Company has been suspended from trading since 1 February 2019.
- 4) Following the announcement made on 13 April 2020 with regards to the possibility of the Company acquiring a new business in the near future, the Board has decided not to change the presentation currency of the financial statements from Swiss Francs to SGD with effect from 1 January 2020 as previously announced on 28 February 2020. This is because the reporting currency of the Company should reflect the functional and reporting currency of the new business' operational units. The change in the presentation currency of the Company's financial statements will only be made after the completion of the acquisition of the new business.

The Board would like to advise shareholders to read the above important notes and the following unaudited results announcement for 1Q2020 carefully. Shareholders should also consult their stockbroker, bank manager, solicitor, or other professional adviser if they have any doubt about the actions that they should take.

UNAUDITED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Three months period ended 31 Mar 2020 ("1Q2020") vs three months period ended 31 Mar 2019 ("1Q2019")

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

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

	Group		Increase/ (Decrease) %
	1Q2020 (Unaudited) CHF'000	1Q2019 (Unaudited) CHF'000	
Trading revenue	-	2,259	n.m.
Fees, rebates, client bonus and betting duty tax	-	(1,662)	n.m.
Net operating income	-	597	n.m.
Other income	181	306	(40.8)
	181	903	(80.0)
Other items of expense			
Staff expenses	(30)	(1,557)	(98.1)
Marketing expenses	-	(69)	n.m.
Other operating expenses	(179)	(2,668)	(93.3)
Finance costs	(80)	(6)	n.m.
Loss before tax	(108)	(3,397)	(96.8)
Income tax credit	-	142	n.m.
Loss for the period	(108)	(3,255)	(96.7)
Other comprehensive income			
Foreign currency translation	-	176	n.m.
Other comprehensive income for the period, net of tax	-	176	n.m.
Total comprehensive income for the period	(108)	(3,079)	(96.5)
Loss for the period attributable to:			
Equity holders of the Company	(108)	(3,252)	(96.7)
Non-Controlling Interest	-	(3)	n.m.
Loss for the period	(108)	(3,255)	(96.7)
Total comprehensive income for the period attributable to:			
Equity holders of the Company	(108)	(3,075)	(96.5)
Non-Controlling Interest	-	(4)	n.m.
Total comprehensive income for the period	(108)	(3,079)	(96.5)

Note:

n.m. - Not meaningful

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

Loss from operations is arrived at after charging/ (crediting) the following items:

	Group		Increase/ (Decrease)
	1Q2020	1Q2019	
	(Unaudited) CHF'000	(Unaudited) CHF'000	%
Depreciation of property, plant and equipment	-	19	n.m.
Amortisation of intangibles	-	2	n.m.
Net foreign exchange gain	(181)	(298)	(39.3)
Finance costs on loans	80	6	n.m.

Note:

n.m. - Not meaningful

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

	Group & Company	
	As at	As at
	31-Mar-20	31-Dec-19
	(unaudited)	(unaudited)
	CHF'000	CHF'000
<u>Current assets</u>		
Trade and other receivables	59	4
Cash and bank balances	7	31
Total current assets	66	35
Total assets	66	35
<u>Current liabilities</u>		
Short-term loans	1,765	1,780
Trade and other payables	1,312	1,156
Loan from a former director	29	31
Total current liabilities	3,106	2,967
Total liabilities	3,106	2,967
<u>Equity</u>		
Share capital	32,450	32,450
Other reserves	2,988	2,988
Accumulated losses	(38,478)	(38,370)
Total equity	(3,040)	(2,932)
Total equity and liabilities	66	35

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable by the Group in one year or less, or on demand

As at 31 Mar 2020		As at 31 Dec 2019	
CHF'000		CHF'000	
Secured	Unsecured	Secured	Unsecured
-	1,765	-	1,780

Amount repayable by the Group after one year

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

Details of collateral

All the unsecured loan of approximately CHF1.8 million were unsecured, interest-bearing loans provided by third-party investor and lender, respectively.

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

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

Consolidated Cash Flow Statement

	Group	
	1Q2020 (Unaudited) CHF'000	1Q2019 (Unaudited) CHF'000
<u>Cash flows from operating activities</u>		
Loss before tax	(108)	(3,397)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	-	19
Amortisation of intangibles	-	2
Unrealised gain on derivatives	-	(1,677)
Pension costs	-	4
Finance costs	80	6
Unrealised exchange (gain)/loss	(106)	267
Operating cash flows before changes in working capital	(134)	(4,776)
Increase in trade and other receivables	(55)	(617)
Increase in trade and other payables	76	3,720
Cash flows used in operations	(113)	(1,673)
Interest paid	-	(6)
Net cash flows used in operating activities	(113)	(1,679)
<u>Cash flows from financing activities</u>		
Receipts of short-term loans	91	997
Net cash flows generated from financing activities	91	997
Net decrease in cash and cash equivalents	(22)	(682)
Effects of exchange rate changes on cash and cash equivalents	(2)	30
Cash and cash equivalents at the beginning of the period	31	1,532
Cash and cash equivalents at the end of the period	7	880

Notes:

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and bank balances	7	923
Less: Bank overdraft	-	(43)
Cash and bank balances per consolidated statement of cash flow	7	880

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Unaudited financial statements for the first quarter ended 31 March 2020

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

Group	Share capital CHF'000	Merger reserve ⁽¹⁾ CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Total CHF'000	Non-controlling interest CHF'000	Total equity CHF'000
2020									
At 1 Jan 2020	32,450	-	-	2,988	-	(38,370)	(2,932)	-	(2,932)
Loss net of tax, representing total comprehensive income for the financial period	-	-	-	-	-	(108)	(108)	-	(108)
At 31 Mar 2020	32,450	-	-	2,988	-	(38,478)	(3,040)	-	(3,040)
2019									
At 1 Jan 2019	32,450	50,536	(597)	2,988	(3,153)	(90,458)	(8,234)	(45)	(8,279)
Loss for the period	-	-	-	-	-	(3,252)	(3,252)	(3)	(3,255)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	177	-	-	-	177	(1)	176
Other comprehensive income for the period	-	-	177	-	-	-	177	(1)	176
At 31 Mar 2019	32,450	50,536	(420)	2,988	(3,153)	(93,710)	(11,309)	(49)	(11,358)

Notes:

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

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

Company	Share capital CHF'000	Employee share option reserve CHF'000	Accumulated losses CHF'000	Total CHF'000
<u>2020</u>				
At 1 Jan 2020	32,450	2,988	(38,370)	(2,932)
Loss net of tax, representing total comprehensive income for the financial period	-	-	(108)	(108)
At 31 Mar 2020	32,450	2,988	(38,478)	(3,040)
<u>2019</u>				
At 1 Jan 2019	32,450	2,988	(38,330)	(2,892)
Profit net of tax, representing total comprehensive income for the financial period	-	-	471	471
As at 31 Mar 2019	32,450	2,988	(37,859)	(2,421)

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

Issued and fully paid ordinary shares of the Company

	No. of issued share	Issued and paid up share capital (CHF)
Balance as at 31 Dec 2019	509,785,570	32,449,753
Balance as at 31 Mar 2020	509,785,570	32,449,753

There were no changes in the Company's share capital since 31 Dec 2019 to 31 Mar 2020.

Details of convertibles

As at 31 March 2019 and 31 March 2020, there were outstanding pre-IPO options granted on 47,017,800 shares and 30,720,600 shares of the Company respectively.

Save for the above, the Group had no outstanding convertibles as at 31 March 2020 and 31 March 2019.

Details of treasury shares and subsidiary holdings

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**(a) Updates on the efforts taken to resolve each outstanding audit issue**

The Company's auditors, Foo Kon Tan LLP was only appointed on 9 March 2020 and would require additional time to complete and finalise its independent auditors' report in respect of the Company and the Group's FY2019 financial statements. The audit for the FY2019 has started and is still on-going as at the date of this announcement.

As such, the latest audited financial statements of the Company and the Group's was in respect of FY2018, which was subject to a disclaimer of opinion.

For FY2018, the Company's then auditor had reported two matters, being the basis for the disclaimer of opinion, namely:

(1) Going concern assumption

The Group's current liabilities and total liabilities exceeded its current assets and total assets by CHF8.3 million and CHF8.3 million respectively as at 31 December 2018. Additionally, the Company's current liabilities and total liabilities exceeded its current assets and total assets by CHF2.9 million and CHF2.9 million respectively as at 31 December 2018.

The Group has completed the disposal of its key operating subsidiary, ayondo Markets Limited, on 5 June 2019 as announced on 6 June 2019.

The Group has obtained funding through loans from, among others, Golden Nugget JinZhuan Limited to address the Group's existing working capital requirements and financial needs. The Company has subsequently entered into convertible note agreements with certain parties for the issue of convertible notes to them in place of the loans. The Company has obtained approval from its' shareholders to issue convertible notes in aggregate of up to S\$9.9 million.

(2) Information Technology ("IT") platform costs

The Group had engaged an external IT consultancy company to provide both research and development services. The auditors are not able to ascertain the appropriateness of the split between research expense and development cost.

The Group has subsequently amortised all the development cost.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements for the financial year ended 31 December 2018 have been adequately disclosed.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited consolidated financial statements for the financial year ended 31 December 2018.

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

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

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

Except for the adoption of IFRS 16/SFRS(I) 16 Leases, the financial statements of the Group and the Company for FY2019 have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2018. The adoption of IFRS 16/SFRS(I) 16 Leases does not have any material impact on the financial statements of the Group and the Company for FY2019.

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

	Group	
	1Q2020	1Q2019
Loss attributable to owners of the Company (CHF'000)	(108)	(3,252)
<u>Loss per ordinary shares (Basic and fully diluted)</u>		
Based on weighted average number of ordinary shares in issue (CHF cents)	(0.02) ⁽¹⁾	(0.64)
Weighted average number of ordinary shares in issue	509,785,570	509,630,801

Note:

- (1) The basic and fully diluted loss per share were the same as the basic EPS assuming that no potential ordinary shares are to be issued under the convertible securities due to the exercise price for most of the convertible securities being higher than the prevailing market price as at 31 March 2019 and 31 March 2020.

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

	Group & Company	
	31-Mar-20	31-Dec-19
Net liability value (CHF'000)	(3,040)	(2,932)
Number of ordinary shares in issue	509,785,570	509,785,570
Net liability value per share attributable to owners of the Company (CHF cents)	(0.60)	(0.58)

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

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

During the period under review, the Company incurred expenses approximately CHF0.3 million comprises salary and related cost, loan interest expense, professional expenses such as audit fee, corporate secretarial expenses, sponsor fee, accounting fee and directors' fees. Other income arose mainly due to unrealised exchange gain as a result of strengthening of CHF against SGD. Included in the expenses incurred during the period under review, was short-term loan interest expense of approximately CHF0.05 million under accrued in the 4Q2019 results announcement.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Trade and other receivables of approximately CHF0.1 million comprises deposits and prepayments.

The Company's short-term loans of approximately CHF1.8 million was provided by third-party investor and lender and interest-bearing. The other payables of approximately CHF1.3 million consists of outstanding non-trade payables. Non-trade payables include mainly fees owing to the directors (including former directors), previous external auditors, sponsor, corporate secretarial service provider, lawyers and internal auditors, as well as accrual of short-term loan interest.

NEGATIVE WORKING CAPITAL AND NET LIABILITIES POSITION

The Company was in a net working capital (and net liability) position of approximately CHF3.0 million and CHF2.9 million as at 31 March 2020 and 31 December 2019, respectively. The unaudited financial results announcement for the 1Q2020 has been prepared on a going concern basis. The validity of the going concern basis on which the unaudited financial statements for 1Q2020 are prepared, is subject to the successful completion and issuance of the convertible notes.

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

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOW

In 1Q2020, the Group recorded a net cash outflow of approximately CHF0.1 million from operating activities, which comprises mainly current period losses and changes in working capital.

In 1Q2020, there was no cash movement from investing activities.

In 1Q2020, the company received an unsecured, interest-bearing short-term loan of approximately CHF0.1 million from a third-party lender.

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

No specific forecast and prospect statements has been disclosed previously.

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

The Company held an extraordinary general meeting (“**EGM**”) on 3 March 2020 for shareholders to approve the following ordinary resolutions: i) the proposed issuance of Convertible Notes up to the principal amount of approximately S\$9.9 million (“**CN1 to CN3**”); ii) the proposed Whitewash Resolution; and iii) the proposed change of auditors. On the same day, it also announced that all the ordinary resolutions relating to the matters set out in the Circular and notice of EGM dated 17 February 2020 were duly passed by the members of the Company by way of poll.

On 13 April 2020, the Company announced that it has on the same day entered into a non-binding term sheet with Wang Pang, Paul in relation to the proposed acquisition of the entire equity interest in Rich Glory International Investment Limited by the Company (hereinafter referred to as the “**Proposed Acquisition**”). The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” (“**RTO**”) of the Company as defined under Chapter 10 of the Catalist Rules of the 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. Please refer to the announcement dated 13 April 2020 for further details.

On 27 April 2020, the Company announced that it has made an application, through the Company’s sponsor, to the SGX-ST for a further six (6) months extension of time to submit the Resumption Proposal by 30 October 2020 (current extended deadline: 30 April 2020) so as to allow the Company to finalise the appointment of the full sponsor for the Proposed Acquisition and the definitive documentations for the Proposed Acquisition.

11. Dividend

If a decision regarding dividend has been made:

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

No dividend has been recommended or declared for 1Q2020.

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

Not applicable. No dividend has been recommended or declared for 1Q2019.

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

Not applicable

(d) The date the dividend is payable.

Not applicable

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

Not applicable

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

No dividend has been declared or recommended for 1Q2020 as the Company is not in the financial position to declare dividends.

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

The Group does not have a general mandate from shareholders for IPTs. There was no interested person transaction of S\$100,000 and more for 1Q2020.

- 14. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company has confirmed that, to the best of their knowledge, other as highlighted in the Important Note on Page 1, nothing has come to their attention which may render the unaudited financial results of the Company and the Group for 1Q2020 to be false or misleading in any material respect.

- 15. Confirmation pursuant to Rule 720(1) of the Catalist Rules**

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

- 15A. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.**

Not applicable. The Company did not acquire and dispose shares in any companies during the first quarter of 2020.

BY ORDER OF THE BOARD

Foo Fatt Kah
Non-Executive Director
13 May 2020

Foong Daw Ching
Lead Independent Director