

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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES

MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”), the Board of Directors (“**Board**”) of ayondo Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to highlight that there are material variances between the unaudited full year results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released on 28 February 2020 (the “**Unaudited FY2019 Results**”) and the audited financial statements for FY2019 (“**Audited FY2019 FS**”). The Audited FY2019 FS include a disclaimer of opinion by the auditors.

A comparison of the Unaudited FY2019 Results and the Audited FY2019 FS with the relevant explanatory notes are set out in the following pages.

Statement of Profit or Loss and Other Comprehensive Income

	The Group			Note
	Audited	Unaudited	Variance	
	CHF'000	CHF'000	CHF'000	
Continuing operations				
Revenue	-	-	-	
Other income	266	265	1	
Staff expenses	(50)	(50)	-	
Marketing expenses	-	-	-	
Initial public offering/reverse-takeover expenses	-	-	-	
Other operating expenses	(1,766)	(1,744)	(22)	
Total operating expenses and operating profit/(loss)	(1,550)	(1,529)	(21)	
Finance costs	(112)	(63)	(49)	(1)
Profit/(loss) from continuing operations, before taxation	(1,662)	(1,592)	(70)	
Income tax expense	-	-	-	
Profit/(loss) from continuing operations, after taxation	(1,662)	(1,592)	(70)	
Discontinued operations				
Gain on disposal of subsidiary	17,638	7,172	10,466	(2)
Gain on deconsolidation of subsidiaries arising from liquidation	2,423	49,811	(47,388)	(2)
Loss from discontinued operations, net of tax	(3,521)	(3,324)	(197)	(2)
Loss from discontinued operations, after taxation	16,540	53,659	(37,119)	
Profit/(loss) for the year, net of tax	14,878	52,067	(37,189)	
Profit/(loss) for the year, net of tax, attributable to:				
Equity holders of the Company	14,899	52,088	(37,189)	
Non-controlling interests	(21)	(21)	-	
	14,878	52,067	(37,189)	
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	597	597	-	
Actuarial gains on defined benefit plans	-	-	-	
Total comprehensive income/(loss) for the year, net of tax	15,475	52,664	(37,189)	
Total comprehensive income, attributable to:				
Equity holders of the Company	15,496	52,685	(37,189)	
Non-controlling interests	(21)	(21)	-	
	15,475	52,664	(37,189)	

Notes:

- (1) The difference is due to under-accrual of short-term loan interest expenses of approximately CHF0.05 million in the Unaudited FY2019 Results.
- (2) The differences in gain in deconsolidation of subsidiaries of approximately CHF47 million was due to a reclassification of CHF 10 million to gain on disposal of subsidiaries and CHF37 million to gain recognised in prior years. The increase in loss from discontinued operations of approximately CHF0.2 million was due to additional expenses recognised.

Statement of Financial Position

	The Group			Note	The Company			Note
	Audited	Unaudited	Variance		Audited	Unaudited	Variance	
	CHF'000	CHF'000	CHF'000		CHF'000	CHF'000	CHF'000	
ASSETS								
Non-Current								
Plant and equipment	-	-	-		-	-	-	
Intangible assets	-	-	-		-	-	-	
Subsidiaries	-	-	-		-	-	-	
Total non-current assets	-	-	-		-	-	-	
Current								
Trade and other receivables	4	4	-		4	4	-	
Cryptocurrency assets	-	-	-		-	-	-	
Derivative financial instruments	-	-	-		-	-	-	
Cash and bank balances	31	31	-		31	31	-	
Investment securities	-	-	-		-	-	-	
Total current assets	35	35	-		35	35	-	
Total assets	35	35	-		35	35	-	
EQUITY								
Capital and Reserves								
Share capital	32,450	32,450	-		32,450	32,450	-	
Merger reserve	-	-	-		-	-	-	
Other reserves	2,988	2,988	-		2,988	2,988	-	
Accumulated losses	(38,705)	(38,370)	(335)	(3)	(38,705)	(38,370)	(335)	(3)
Total equity attributable to owners of the company	(3,267)	(2,932)	(335)		(3,267)	(2,932)	(335)	
Non-controlling interests	-	-	-		-	-	-	
Total equity	(3,267)	(2,932)	(335)		(3,267)	(2,932)	(335)	
LIABILITIES								
Non-Current								
Employee benefit liabilities	-	-	-		-	-	-	
Borrowings	1,033	-	1,033	(4)	547	-	547	(4)
Total non-current liabilities	1,033	-	1,033		547	-	547	
Current								
Convertible bonds	-	-	-		-	-	-	
Trade and other payables	1,381	1,156	225	(5)	1,381	1,156	225	(5)
Borrowings	856	1,780	(924)	(4)	1,342	1,780	(438)	(4)
Loans from related parties	-	-	-		-	-	-	
Loan from a former director	32	31	1		32	31	1	
Derivative financial instruments	-	-	-		-	-	-	
Bank overdraft	-	-	-		-	-	-	
Total current liabilities	2,269	2,967	(698)		2,755	2,967	(212)	
Total liabilities	3,302	2,967	335		3,302	2,967	335	
Total equity and liabilities	35	35	-		35	35	-	

Notes:

- (3) The difference arose mainly from the under accrual of expenses in the Unaudited FY2019 Results.
- (4) The difference arose mainly from the reclassification of approximately CHF1 million from current to non-current borrowings for amounts not due within 12 months. For current borrowings, there were also (i) reclassification of short-term loan interest of approximately CHF0.06 million from trade and other payables and (ii) additional accrual of short-term loan interest of approximately CHF0.05 million.
- (5) The difference is mainly due to (i) reclassification of short-term loan interest of approximately CHF0.06 million to borrowings, (ii) additional accrual of operating expense of approximately CHF0.02 million, and (iii) additional recognition of payables of approximately CHF0.26 million not in the Unaudited FY2019 Results.

Statement of Cash Flow

As a result of the above, there were consequential changes in the cash flow statement, the variance of which is set out below.

	The Group		
	Audited	Unaudited	Variance
	CHF'000	CHF'000	CHF'000
Cash Flows from Operating Activities			
Loss before income tax from continuing operation	(1,662)	(1,592)	(70)
Profit/(loss) before income tax from discontinued operations	16,305	53,421	(37,116)
Profit/(Loss) before income tax, total	14,643	51,829	(37,186)
Adjustments for:			
Gain on disposal of, plant and equipment	-	-	-
Gain on disposal of subsidiary	(17,638)	(7,172)	(10,466)
Gain on deconsolidation of subsidiaries arising from liquidation	(2,423)	(49,811)	47,388
Depreciation of property, plant and equipment	40	43	(3)
Amortisation of IT platform development costs	2	2	-
Issuance of adjustment shares for CB conversion	-	-	-
Issuance of shares to sponsor	-	-	-
Impairment of goodwill	-	-	-
Impairment of IT platform development costs	-	-	-
Impairment of investment securities	-	-	-
Employee share-based payment expense	-	-	-
Changes in fair value of embedded derivatives of convertible bonds	-	-	-
Unrealised gain on derivatives	-	-	-
Pension costs	-	-	-
Interest income on loans and receivables	-	-	-
Finance costs	112	1	111
Capitalised IPO costs	-	-	-
Unrealised exchange gain	(266)	(10)	(256)
Operating loss before working capital changes	(5,530)	(5,118)	(412)
Change in trade and other receivables and cryptocurrency asset	395	(341)	736
Change in trade and other payables	2,503	(4,039)	6,542
Cash used in operations	(2,632)	(9,498)	6,866
Interest paid	-	-	-
Interest received	-	-	-
Income tax received	-	-	-
Net cash used in operating activities	(2,632)	(9,498)	6,866
Cash Flows from Investing Activities			
Purchase of plant and equipment	-	-	-
Capitalisation of internally generated intangibles	-	-	-
Proceeds from disposal of plant and equipment	-	-	-
Net cash outflow on disposal of subsidiaries	(205)	6,532	(6,737)
Net cash outflow on deconsolidation of subsidiaries	(187)	(291)	104
Proceeds from sale of financial investments	-	-	-
Net cash used in investing activities	(392)	6,241	(6,633)
Cash Flows from Financing Activities			
Proceeds from issue of new shares	-	-	-
Proceeds from borrowings	1,778	1,782	(4)
Receipts of loan from a former director	31	31	-
Repayment of loans from related parties	(291)	-	(291)
Repayment of shareholder's loan	-	-	-
Repayment of convertible bonds interest coupon	-	-	-
Repayment of convertible bonds	-	-	-
Net cash generated from financing activities	1,518	1,813	(295)
Net (decrease)/increase in cash and cash equivalents	(1,506)	(1,444)	(62)
Cash and cash equivalents at beginning of the year	1,532	1,532	-
Effects of exchange rate changes on cash and cash equivalents	5	(57)	62
Cash and cash equivalents at end of the year	31	31	-

By Order of the Board

Foo Fatt Kah
Non-Executive Director
3 August 2020

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

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

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