

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 2020

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 2020 (“**FY2020**”) released on 26 February 2021 (the “**Unaudited FY2020 Results**”) and the audited financial statements for FY2020 (“**Audited FY2020 FS**”). The Audited FY2020 FS include a disclaimer of opinion by the auditors.

A comparison of the Unaudited FY2020 Results and the Audited FY2020 FS with the relevant explanatory notes are shown below:

Change in the functional currency

Effective 1 January 2020, the Company changed its functional currency and presentation currency from Swiss Franc to Singapore dollars.

The change in functional currency on 1 January 2020 is appropriate based on the fact cash flows generated from debt funding and expenses, except salary of the sole employee which is denominated in the currency (foreign) of his home country for personal reasons, are denominated in Singapore dollars. The change in presentation currency is to better reflect the Company’s business environment.

Statement of Profit or Loss and Other Comprehensive Income

	The Company			Note
	Audited	Unaudited	Variance	
	SGD’000	SGD’000	SGD’000	
<u>Continuing operations</u>				
Revenue	-	-	-	
Other income	43	-	43	(1)
Staff expenses	(134)	(134)	-	
Marketing expenses	-	-	-	
Initial public offering/reverse-takeover expenses	-	-	-	
Other operating expenses	(1,298)	(990)	(308)	(2)
Total operating expenses and operating profit/(loss)	(1,389)	(1,124)	(265)	
Finance costs	(297)	(244)	(53)	(3)
Profit/(loss) from continuing operations, before taxation	(1,686)	(1,368)	(318)	
Income tax expense	-	-	-	
Profit/(loss) from continuing operations, after taxation	(1,686)	(1,368)	(318)	
Total comprehensive income, attributable to:				
Equity holders of the Company	(1,686)	(1,368)	(318)	
Non-controlling interests	-	-	-	
	(1,686)	(1,368)	(318)	

Notes:

(1) The difference is due to recognition of fair value on interest free loan.

(2) The difference is due to the following:

	SGD'000
- Prior year adjustments	(42)
- Additional expenses accrued in current year	(7)
- Difference on shares issued and conversion of shares from convertible notes	(25)
- Loss from extinguishment of loan	(234)
	<u>(308)</u>
	<u><u>(308)</u></u>

(3) The difference is due to recognition of interest expense relating to interest free loan.

Statement of Financial Position

	The Company			Note
	Audited	Unaudited	Variance	
	SGD'000	SGD'000	SGD'000	
ASSETS				
Non-Current				
Plant and equipment	-	-	-	
Intangible assets	-	-	-	
Subsidiaries	-	-	-	
Total non-current assets	-	-	-	
Current				
Other receivables	31	31	-	
Cash and bank balances	25	25	-	
Total current assets	56	56	-	
Total assets	56	56	-	
EQUITY				
Capital and Reserves				
Share capital	46,333	44,998	1,335	(4)
Merger reserve	-	-	-	
Other reserves	4,296	4,296	-	
Accumulated losses	(54,264)	(53,015)	(1,249)	(5)
Total equity attributable to owners of the company	(3,635)	(3,721)	86	
LIABILITIES				
Non-Current				
Convertible note	614	664	(50)	(6)
Borrowings	111	135	(24)	(7)
Total non-current liabilities	725	799	(74)	
Current				
Other payables	2,057	2,069	(12)	(8)
Borrowings	861	861	-	
Loan from a former director	48	48	-	
Total current liabilities	2,966	2,978	(12)	
Total liabilities	3,691	3,777	(86)	
Total equity and liabilities	56	56	-	

Notes:

(4) Share Capital

The difference is due to the following:-

	SGD'000
- Reclassification from accumulated losses due to changes in presentation currency from CHF to SGD	1,309
- Adjustment on conversion of convertible notes to shares	26
	<u>1,335</u>

(5) Accumulated losses

The difference is due to the following:-

	SGD'000
- Reclassification from accumulated losses due to changes in presentation currency from CHF to SGD	(1,309)
- Prior year adjustments - Other payables	111
- Prior year adjustments - Fair value gain and loan interest expense recognised for interest free loan	267
- Current year profit and loss	(318)
	<u>(1,249)</u>

(6) The difference is due to the reclassification to other payables.

(7) Borrowings

The difference is due to the following:-

	SGD'000
- Prior year adjustments - Reduction due to transfer of fair value gain and loan interest expense recognised for interest free loan to accumulated losses	(267)
- Reversal of FY2019 fair value gain and loan interest recognised for interest free loan in current year	267
- Reduction due to fair value gain and loan interest recognised in current year	(24)
	<u>(24)</u>

(8) Other payables

The difference is due to the following:-

	SGD'000
- Reclassified from convertible note	50
- Prior year adjustments	(69)
- Additional expenses accrued in current year	7
	<u>(12)</u>

Statement of Cash Flow

	The Company			Note
	Audited SGD'000	Unaudited SGD'000	Variance SGD'000	
Cash Flows from Operating Activities				
Loss before income tax from continuing operations	(1,686)	(1,368)	(318)	
Profit before income tax from discontinued operations	-	-	-	
Profit/(Loss) before income tax, total	(1,686)	(1,368)	(318)	
Adjustments for:				
Fair value on interest free loan	(43)	-	(43)	(9)
Loss from extinguishment of loan	234	-	234	(10)
Gain on disposal of subsidiary	-	-	-	
Gain on deconsolidation of subsidiaries arising from liquidation	-	-	-	
Depreciation of plant and equipment	-	-	-	
Amortisation of IT platform development costs	-	-	-	
Finance costs	297	244	53	(11)
Unrealised exchange gain	-	-	-	
Operating loss before working capital changes	(1,198)	(1,124)	(74)	
Change in trade and other receivables	(25)	(25)	-	
Change in trade and other payables	395	321	74	
Net cash used in operating activities	(828)	(828)	-	
Cash Flows from Investing Activities				
Net cash outflow on disposal of subsidiaries	-	-	-	
Net cash outflow on deconsolidation of subsidiaries	-	-	-	
Net cash used in investing activities	-	-	-	
Cash Flows from Financing Activities				
Proceeds from borrowings	135	135	-	
Proceeds from issuance of convertible note	675	675	-	
Receipts of loan from a former director	-	-	-	
Repayment of loans from related parties	-	-	-	
Net cash generated from financing activities	810	810	-	
Net (decrease)/increase in cash and cash equivalents	(18)	(18)	-	
Cash and cash equivalents at beginning of the year	43	43	-	
Effects of exchange rate changes on cash and cash equivalents	-	-	-	
Cash and cash equivalents at end of the year	25	25	-	

Notes:

- (9) The difference is due to recognition of fair value on interest free loan.
- (10) The difference is due to the recognition of loss from extinguishment of loan.
- (11) The difference is due to recognition of interest expense relating to interest free loan.

By Order of the Board

Foong Daw Ching
Lead Independent Director
13 April 2021

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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