



**AYONDO LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201728417D)

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**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 15 March 2018 (the “Offer Document”).*

ayondo Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 March 2018. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 persons for the Sponsor are Mr Lan Kang Ming, Vice President, and Mr Gregory Wee Toon Lee, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

**Background**

The Company was incorporated in Singapore on 4 October 2017 under the Companies Act as a private company limited by shares under the name of “ayondo Pte. Ltd.”. The Company was subsequently renamed to “ayondo Ltd.” on 23 February 2018 in connection with the conversion to a public company limited by shares.

Prior to the listing on the Catalist of the SGX-ST on 26 March 2018, the Company undertook a corporate restructuring (the “**Restructuring Exercise**”) to rationalise and streamline the Company corporate structure. Please refer to the Offer Document for further details on the Restructuring Exercise.

The consolidated financial statements presented for the years ended 31 December 2016 and 2017 are a continuation of the existing ayondo Holding AG Group, comprising the financial position and the results of the ayondo Holding AG and its subsidiaries.

Pursuant to this, assets, liabilities, reserves, revenue and expense of ayondo Holding AG and its subsidiaries are consolidated at their existing carrying amounts.

For the purpose of the preparation of the consolidated financial statements, the share capital as at 31 December 2016 and 31 December 2017 represents the issued and paid up share capital of ayondo Holding AG.

The Company had on 22 February 2018 held its annual general meeting for the financial year ended 31 December 2017 (“**FY2017**”). The next annual general meeting of the Company for the financial year ending 31 December 2018 will be held by 30 April 2019.

This audited financial statements for FY2017 is released by the Company on a voluntary basis for completeness and good corporate governance.

## Summary of business performance

Client acquisition is at the heart of the Company's strategy and this continued strongly throughout FY 2017 with 51,606 clients active in the reporting period compared to 32,816 clients in FY 2016, an increase of 57.3%. FY 2017 was a period of sustained low volatility levels resulting in fewer trading opportunities for our clients. This resulted in lower than revenue growth of 10% year on year with average revenue per client falling from CHF 576 in FY 2016 to CHF 402 in FY 2017.

The Company remains focussed on the continual acquisition of clients whilst seeking to maximise the average revenue per client.

	Year to Dec 2017	Year to Dec 2016	+/- %
<b>Number of active clients</b>	51,606	32,816	+57%
<b>Trading revenue (CHF '000s)</b>	20,755	18,886	+10%
<b>Average revenue per active client</b>	402	576	-30%

- Trading revenue increased by 10% from CHF18.9 million for FY2016 to CHF20.8 million in FY2017 as a result of an increase in the number of active clients from 32,816 in FY2016 to 51,606 in FY2017
- Average revenue per active client decreased from CHF576 in FY2016 to CHF402 in FY2017 on the back of a sustained low volatility environment resulting in fewer trading opportunities for our clients.
- Loss before tax before costs of financing debt and IPO/RTO costs decreased from CHF 8.5 million in FY2016 to CHF5.1 million in FY2017.

The cost of financing debt relates to loans and convertible bonds, most of the loans and convertible bonds were either converted into equity or repaid during the first quarter of the financial year ended 31 March 2018.

CHF '000s	FY2017	FY2016
<b>Loss before tax</b>	<b>(10,417)</b>	<b>(10,766)</b>
<u>Add back:</u>		
Cost of financing debt	2,809	1,804
IPO/RTO costs	2,472	509
<b>Loss before tax before above items</b>	<b>(5,136)</b>	<b>(8,453)</b>

- **Costs of financing debt of CHF 2.8 in FY2017 and CHF 1.8 million in FY 2016 relate to the financing charges associated with convertible bonds and loans from related parties, the significant majority of which were converted to equity or repaid after the recent IPO in March 2018**
- **IPO costs of CHF 2.5 million in FY2017 and CHF 0.5 million in FY2016 relate to costs incurred as a direct consequence of work on the RTO/IPO transaction.**

## 1(a)(i) Consolidated income statement

	Group		Increase/ (Decrease) %
	Financial year ended		
	31.12.2017	31.12.2016	
	(audited)	(audited)	
	CHF'000	CHF'000	
Trading revenue	20,755	18,886	9.9%
Fees, rebates, client bonuses and betting duty tax	(10,820)	(9,006)	20.1%
<b>Net operating income</b>	<b>9,935</b>	<b>9,880</b>	<b>0.56%</b>
Other income	165	327	(49.6%)
Staff expenses	(7,066)	(5,741)	23.1%
Marketing expenses	(2,705)	(3,300)	(18.0%)
Other operating expenses	(5,466)	(9,620)	(43.2%)
RTO/IPO costs	(2,472)	(509)	386%
<b>Operating loss</b>	<b>(7,609)</b>	<b>(8,963)</b>	<b>(15.1%)</b>
Finance income	1	1	-
Finance costs	(2,809)	(1,804)	55.7%
<b>Loss before tax</b>	<b>(10,417)</b>	<b>(10,766)</b>	<b>(3.2%)</b>
Income tax credit	657	332	97.9%
<b>Loss for the year, net of tax</b>	<b>(9,760)</b>	<b>(10,434)</b>	<b>(6.5%)</b>
<b>Loss for the year, net of tax, attributable to:</b>			
Equity holders of the Company	(9,750)	(10,223)	(4.6%)
Non-controlling interests	(10)	(211)	(95.3%)
	<b>(9,760)</b>	<b>(10,434)</b>	<b>(6.5%)</b>
<b>1(a)(i) Consolidated statement of comprehensive income</b>			
<b>Other comprehensive income:</b>			
Foreign currency translation	(1,738)	903	(292.5%)
Actuarial losses on defined benefit plans	9	(164)	(105.5%)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(11,489)</b>	<b>(9,695)</b>	<b>18.5%</b>
<b>Total comprehensive loss, attributable to:</b>			
Equity holders of the Company	(11,478)	(9,486)	21.0%
Non-controlling interests	(11)	(209)	(94.7%)
	<b>(11,489)</b>	<b>(9,695)</b>	<b>18.5%</b>

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

	FY 2017	FY 2016	Increase/ (Decrease)
	CHF ('000)	CHF ('000)	%
Depreciation of property, plant and equipment	85	55	54.5%
Amortisation of intangibles	838	597	40.4%
IT costs	1,576	1,304	20.9%
Operating lease expenses	792	656	20.7%
Net foreign exchange (gain)/loss	(1,639)	1,436	214.1%
Finance costs on loan from related parties	284	110	158.2%
Convertible bond finance cost	2,525	1,694	49.1%
Changes in fair value of embedded derivatives of convertible bonds	(1,093)	695	257.3%
Legal, other professional fees and consultancy fees	3,828	2,786	37.4%

**Amortisation of intangibles**

The amortisation of intangibles increased by CHF 0.2 million from CHF0.6 million in FY2016 to CHF 0.8 million in FY2017 was mainly due to an increased investment in the Group's WeTrade, Tradehub and Account Management System.

**Net foreign exchange (gain)/loss**

The foreign exchange gain in FY2017 is mainly due to the favourable movements in the foreign exchange rates as compared to FY2016.

**Finance costs on loan from related parties**

This increased during the year due to loans taken out in October 2016 having a full period interest charge in FY2017 compared to FY2016.

**Convertible bond finance cost**

This increased due to new convertible bonds being issued during Q4 2017 with an initial carrying value of CHF 3.4 million and an effective interest charge for the period of CHF 0.874 million.

**Changes in fair value of embedded derivatives of convertible bonds**

This increased due to a change in the underlying fair value of the embedded derivatives on the convertible bonds in issuance by the Company.

**Legal, other professional fees and consultancy fees**

The legal, other professional fees and consultancy fees has increased , mainly due to increased activities within the Group. Additionally, there was approximately CHF 2.5 million associated with IPO/RTO during the FY 2017.

## 1(b)(i) Balance Sheets

	Group		Company 04.10.2017 (Date of incorporation) to 31.12.2017
	31.12.2017 (audited) CHF'000	31.12.2016 (audited) CHF'000	(audited) CHF'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	119	160	-
Intangible assets	36,477	35,218	-
<b>Total non-current assets</b>	<b>36,596</b>	<b>35,378</b>	<b>-</b>
<i>Current assets</i>			
Trade and other receivables	51,569	33,881	-
Derivative financial instruments	170	67	-
Cash and bank balances	929	3,808	-*
Investment securities	932	932	-
<b>Total current assets</b>	<b>53,600</b>	<b>38,688</b>	<b>-*</b>
<b>Total assets</b>	<b>90,196</b>	<b>74,066</b>	<b>-*</b>
<b>LIABILITIES AND EQUITY</b>			
<i>Current liabilities</i>			
Convertible bonds	13,593	499	-
Trade and other payables	55,895	37,304	-
Loans from related parties	1,933	3,058	-
Derivative financial instruments	9,055	54	-
Bank overdraft	47	19	-
<b>Total current liabilities</b>	<b>80,523</b>	<b>40,934</b>	<b>-</b>
<i>Non-current liabilities</i>			
Convertible bonds	-	8,058	-
Employee benefit liabilities	797	747	-
Derivative financial instruments	-	4,674	-
<b>Total non-current liabilities</b>	<b>797</b>	<b>13,479</b>	<b>-</b>
<b>Total liabilities</b>	<b>81,320</b>	<b>54,413</b>	<b>-</b>
<i>Equity</i>			
<i>Equity attributable to owners of the Company:</i>			
Share capital	50,006	45,251	-*
Other reserves	(1,028)	4,752	-
Accumulated losses	(40,079)	(30,338)	-
	8,899	19,665	-*
Non-controlling interests	(23)	(12)	-
<b>Total equity</b>	<b>8,876</b>	<b>19,653</b>	<b>-</b>
<b>Total liabilities and equity</b>	<b>90,196</b>	<b>74,066</b>	<b>-*</b>

\* Less than CHF 1,000

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Audited financial statements for the Financial Year ended 31 December 2017

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**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 December 2017 (CHF'000)		As at 31 December 2016 (CHF'000)	
Secured	Unsecured	Secured	Unsecured
-	15,573	-	3,576

**Amount repayable by the Group after one year**

As at 31 December 2017 (CHF'000)		As at 31 December 2016 (CHF'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	8,058

For details of the convertible Loans in issuance, please refer to 1(d)(ii)

**Details of collateral**

There were no secured borrowings as at 31 December 2017 and 31 December 2016.

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.

	Group	
	Financial year ended 31.12.2017 (audited) CHF'000	31.12.2016 (audited) CHF'000
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(10,417)	(10,766)
<b><u>Adjustments for:</u></b>		
Depreciation of property, plant and equipment	85	55
Amortisation of intangibles	838	597
Gain on sale of investment securities	-	(74)
Gain on disposal of associates	-	(205)
Employee share based payments	520	633
Changes in fair value of embedded derivatives of convertible bonds	(1,093)	695
Unrealised gain on derivatives	1,994	(167)
Pension costs	60	59
Interest income on loans and receivables	(1)	(1)
Finance costs	2,809	1,804
Unrealised exchange (gain)/loss	(1,838)	1,157
<b>Operating cash flows before changes in working capital</b>	<b>(7,043)</b>	<b>(6,213)</b>
Increase in trade and other receivables	(17,322)	(15,515)
Decrease in receivables from and payable to associates and related parties	-	(154)
Increase in trade and other payables	19,587	16,036
<b>Cash flows used in operations</b>	<b>(4,778)</b>	<b>(5,846)</b>
Interest paid	(7)	-
Interest received	1	1
Income tax received	422	335
<b>Net cash flows used in operating activities</b>	<b>(4,362)</b>	<b>(5,510)</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(39)	(170)
Capitalisation of internally generated intangibles	(1,929)	(1,609)
Proceeds from sale of associate	-	552
Purchase of investment securities	-	(249)
Proceeds from sale of investment securities	-	411
<b>Net cash used in investing activities</b>	<b>(1,968)</b>	<b>(1,065)</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from warrants issued	-	4,753
Proceeds from short-term loans	3,505	2,462
Repayment of shareholder's loan	(117)	-
Share issuance expense	-	(68)
Purchase of treasury shares	-	(284)
Proceeds from reissuance of treasury shares	-	375
<b>Net cash flows generated from financing activities</b>	<b>3,388</b>	<b>7,238</b>
Net (decrease)/increase in cash and cash equivalents	(2,942)	663
Effects of exchange rate changes on cash and cash equivalents	35	(193)
Cash and cash equivalents at the beginning of the year	3,789	3,319
<b>Cash and cash equivalents at the end of the period</b>	<b>882</b>	<b>3,789</b>

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Audited financial statements for the Financial Year ended 31 December 2017

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**For the purpose of the statements of cash flows, cash and cash equivalents  
comprise the following as at the statement of financial position date:**

Cash and bank balances	929	3,808
Less: Bank overdraft	(47)	(19)
<b>Total cash and cash equivalents</b>	<b>882</b>	<b>3,789</b>

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Audited financial statements for the Financial Year ended 31 December 2017

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 (audited)	Attributable to equity owners of the Company										Total CHF'000	Non- controlling interests CHF'000	Total CHF'000
	Share capital CHF'000	Treasury shares CHF'000	Foreign currency translation reserve CHF'000	Equity component of convertible bonds CHF'000	Employee share option reserve and CHF'000	Gain on reissuance of treasury shares CHF'000	Premium paid on acquisition of non- controlling interest CHF'000	Accumulate d losses CHF'000	Total CHF'000	Non- controlling interests CHF'000			
At 1 January 2016	37,164	1	345	4,563	1,371	–	–	(19,951)	23,493	(830)	22,663		
Loss for the year	–	–	–	–	–	–	–	(10,223)	(10,223)	(211)	(10,434)		
<u>Other comprehensive loss</u>													
Actuarial gains on measurement of post-employment benefit plan, net of tax	–	–	–	–	–	–	–	(164)	(164)	–	(164)		
Foreign currency translation	–	–	901	–	–	–	–	–	901	2	903		
Other comprehensive loss for the year	–	–	901	–	–	–	–	(164)	737	2	739		
<u>Contributions by and distributions to owners</u>													
Warrants issued in relation to convertible bonds	6,029	–	–	–	–	–	–	–	6,029	–	6,029		
Grant of share options to employees	–	–	–	–	633	–	–	–	633	–	633		
Purchase of treasury shares	–	(284)	–	–	–	–	–	–	(284)	–	(284)		
Share issuance expenses	(68)	–	–	–	–	–	–	–	(68)	–	(68)		
Re-issue of treasury shares pursuant to employee share option plans	–	283	–	–	–	92	–	–	375	–	375		
Total contributions by and distributions to owners	5,961	(1)	–	–	633	92	–	–	6,685	–	6,685		
<u>Changes in ownership interests in subsidiaries</u>													
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	2,126	–	–	–	–	–	(3,153)	–	(1,027)	1,027	–		
<b>At 31 December 2016</b>	<b>45,251</b>	<b>–</b>	<b>1,246</b>	<b>4,563</b>	<b>2,004</b>	<b>92</b>	<b>(3,153)</b>	<b>(30,338)</b>	<b>19,665</b>	<b>(12)</b>	<b>19,653</b>		

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Audited financial statements for the Financial Year ended 31 December 2017

Group (audited)	Attributable to equity holders of the Company									
	Share capital CHF'000	Foreign currency translation reserve CHF'000	Equity component of convertible bonds 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	Total CHF'000	Non-controlling interests CHF'000	Total CHF'000
At 1 January 2017	45,251	1,246	4,563	2,004	92	(3,153)	(30,338)	19,665	(12)	19,653
Loss for the year	–	–	–	–	–	–	(9,750)	(9,750)	(10)	(9,760)
<u>Other comprehensive loss</u>										
Actuarial gains on measurement of post-employment benefit plan, net of tax	–	–	–	–	–	–	9	9	–	9
Foreign currency translation	–	(1,737)	–	–	–	–	–	(1,737)	(1)	(1,738)
Other comprehensive loss for the year	–	(1,737)	–	–	–	–	9	(1,728)	(1)	(1,729)
<u>Contributions by and distributions to owners</u>										
Conversion of debt instrument	4,755	–	(4,563)	–	–	–	–	192	–	192
Grant of share options to employees	–	–	–	520	–	–	–	520	–	520
	–	–	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	4,755	–	(4,563)	520	–	–	–	712	–	712
<b>At 31 December 2017</b>	<b>50,006</b>	<b>(491)</b>	<b>–</b>	<b>2,524</b>	<b>92</b>	<b>(3,153)</b>	<b>(40,079)</b>	<b>8,899</b>	<b>(23)</b>	<b>8,876</b>

	Share capital CHF'000	Retained earnings CHF'000	Total equity CHF'000
<b>Company (audited)</b>			
At 4 October 2017 (date of incorporation)	_*	–	_*
Profit net of tax, representing total comprehensive income for the financial year	–	–	–
At 31 December 2017	_*	–	_*

\*Less than 1,000 CHF

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.**

The Company was only incorporated on 4 October 2017 with S\$1 share capital as part the Restructuring Exercise. On 23 February 2018, the Company became the ultimate holding company for the continuation of the existing ayondo Holding AG Group. For the purpose of the preparation of the financial statements, the share capital as at 31 December 2016 and 2017 represents the issued and paid up share capital of ayondo Holding AG.

**Issued and fully paid ordinary shares of the Company**

	No. of issued shares	Issued and paid-up share capital (S\$)
<b>As at date of incorporation, 4 October 2017</b>	1	1
<b>Balance as at 31 December 2017</b>	1	1

Subsequent to 31 December 2017, an additional 502,666,209 shares were issued and allotted in connection with the IPO. As at the date of this announcement, the Company has 502,666,210 shares being issued and fully paid up. Please refer to the page 71 of the Offer Document for further details

	Number of shares ('000)	
	31.12.2017	31.12.2016
<b>Issued and fully paid ordinary shares of ayondo Holding AG</b>		
Balance at the beginning of the financial period	618	540
Issued for acquisition of non-controlling interests without a change in control	–	26
Exercise of warrants issued	–	52
Balance at the beginning of the financial period	618	618
The number of shares that may be issued on conversion of all the outstanding convertibles at the end of the financial period	23,773	46

**Details of convertibles**

As at 31 December 2016, the Group had the following outstanding convertibles:

S/N	Details of convertibles	No. of new shares to be issued upon conversion ('000)
1	13,205 free warrants arising from CHF5 million convertible bonds issued in January 2014	13
2	8,567 free warrants arising from S\$5 million convertible bonds issued in July 2014	9
3	23,914 free warrants arising from S\$6.7 million exchangeable bonds issued in April 2015	24

As at 31 December 2017, the Group had the following outstanding convertibles:

S/N	Details of convertibles	No. of new shares to be issued upon conversion ('000)
1	13,205 free warrants arising from CHF5 million convertible bonds issued in January 2014	13
2	8,567 free warrants arising from S\$5 million convertible bonds issued in July 2014	9
3	Pre-IPO convertible loans amounting to CHF2.4 million	17,204 <sup>1</sup>
4	Conversion settlement with Starland Holdings Limited for the reimbursement of S\$1.141 million of expenses	6,547 <sup>1</sup>

<sup>1</sup> The number of shares to be issued upon conversion has been adjusted for the sub-division of every one share to 540 shares pursuant to the restructuring exercise

For further details on the convertibles, please refer to the Offer Document.

**Details of treasury shares and subsidiary holdings**

The Company was only incorporated on 4 October 2017 and did not have any treasury shares as at 31 December 2017.

**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 Company was only incorporated on 4 October 2017 and did not have any treasury shares as at 31 December 2017.

**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.**

	<b>Number of treasury shares</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
Balance at the beginning of the financial year	-	25
Number of shares purchased in the year	-	3,345
Number of shares sold in the year	-	(3,370)
Balance at the end of the financial year	-	-

**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 have been audited by the Company's auditors in accordance with Singapore auditing standards.

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

The auditors' report is set out in Appendix 1.

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

The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

**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.**

Not applicable.

**6. Loss per ordinary share**

	<b>Group</b>	
	Financial year ended	
	<u>31.12.2017</u> CHF'000	<u>31.12.2016</u> CHF'000
Loss attributable to owners of the Company	(9,750)	(10,223)
Weighted average number of ordinary shares <sup>(1)</sup>	618,000	569,000
Basic loss per share ("LPS") based on actual number of shares (CHF)	(15.79)	(17.98)
Diluted LPS based on actual number of shares (CHF) <sup>(2)</sup>	(15.79)	(17.98)

	<b>Group</b>	
	Financial year ended	
	<u>31.12.2017</u> CHF'000	<u>31.12.2016</u> CHF'000
For illustrative purposes <sup>(3)</sup>		
Loss attributable to owners of the Company	(9,750)	(10,223)
Weighted average number of ordinary shares	502,666,210	502,666,210
Basic loss per share ("LPS") based on actual number of shares (CHF)	0.02	0.02
Diluted LPS based on actual number of shares (CHF) <sup>(2)</sup>	0.02	0.02

Notes:

- (1) The weighted average number of shares is calculated based on the issued and paid up share capital of ayondo Holding AG in the respective periods
- (2) There is no change between basic and diluted LPS as the Group was loss-making for the respective periods
- (3) For comparative purposes, the LPS for the respective financial years have been computed based on the loss attributable to owners of the Company and share capital of 502,666,210 shares assuming that the Restructuring Exercise had been completed as at 1 January 2016.

**7. Net asset value per ordinary share:-**

	<b>The Group</b>		<b>The Company</b>
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
Net asset value (CHF'000)	8,899	19,665	-*
Number of ordinary shares in issue	618,000	569,000	1
Net asset value per ordinary share based on issued share capital (CHF)	14.4	34.5	n.m.

n.m. – Not meaningful as the Company was only incorporated on 4 October 2017 with S\$1 share capital.

	<b>The Group</b>		<b>The Company</b>
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
For illustrative purposes <sup>(2)</sup>			
Net asset value (CHF'000)	8,899	19,665	-( <sup>1</sup> )
Number of ordinary shares in issue	502,666,210	502,666,210	1
Net asset value per ordinary share based on issued share capital (CHF)	0.02	0.04	n.m.

Notes:

- (1) Less than 1,000 shares
- (2) For comparative purposes, the NAV per share for the respective financial years have been computed based on the share capital of 502,666,210 shares assuming that the Restructuring Exercise had been completed as at 1 January 2016.

**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.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*Review of Group's performance for the full year ended 31 December 2017 ("FY2017") as compared to the full year ended 31 December 2016 ("FY2016")*

**Trading revenue**

- Trading revenue increased by 10% from CHF18.9 million for FY2016 to CHF20.8 million in FY2017 as a result of an increase in the number of active clients from 32,816 in FY2016 to 51,606 in FY2017
- Loss before tax decreased slightly from CHF10.8 million in FY2016 to CHF10.4 million in FY2017.
- Average revenue per active client decreased from CHF576 in FY2016 to CHF402 in FY2017 on the back of sustained low volatility environment resulting in fewer trading opportunities for our clients.

	Year to Dec 2017	Year to Dec 2016	+/- %
<b>Number of active clients</b>	51,606	32,816	+57%
<b>Trading revenue (CHF '000s)</b>	20,755	18,886	+10%
<b>Average revenue per active client</b>	402	576	-30%

Client acquisition is at the heart of the Company's strategy and this continued strongly throughout FY 2017 with 51,606 clients active in the reporting period compared to 32,816 clients in FY 2016, an increase of 57.3%. The low volatility levels in FY 2017 resulted in average revenue per client falling from CHF 576 in FY2016 to CHF 402 in FY 2017.

The Company remains focussed on the continual acquisition of clients whilst seeking to maximise the average revenue per client.

**Fees, rebates client bonuses and betting duty tax**

Fees, rebates, client bonuses and betting duty tax increased from CHF 9.0 million in FY2016 to CHF 10.8million in FY 2017, an increase of approximately 20%. Rebates increased due to an increase in revenues as well as a higher amount of our business being conducted with partners.

### **Other Income**

Other income amounted reduced to CHF 165,000 from CHF 327,000 in FY2017 and FY2016. In FY2016, other income mainly relates to profit on disposal of a holding of Stockpulse GmbH in September 2016.

### **Staff Expenses**

Staff expenses comprise mainly employee salary, social security and pension costs, and performance related pay. Staff expenses amounted to CHF 7.1 million, CHF 5.7 million, for FY2017 and FY2016 respectively. The increase in staff expenses is mainly attributable to the increase in number of employees to 72 in FY2016, being taken up for the full year in 2017, particularly in the software development and IT marketing, and sales and customer service functions, in line with the business expansion of our Group.

### **Marketing Expenses**

Marketing expenses comprise mainly of advertising expenses, event costs and other marketing costs. Marketing expenses accounted for 13.0% and 17.5% of our Group's trading revenue in FY 2017 and FY2016 respectively. The decrease in marketing expenses from CHF3.3 million in FY2016 to CHF 2.7 million in FY2017 is mainly due to lower marketing activity.

### **Other Operating Expenses**

Other operating expenses comprise mainly of legal and professional fees, IT costs, depreciation expense, and other administrative expenses. Other operating expenses accounted for 26.3% and 50.9% of our Group's trading revenue in FY2017 and FY2016 respectively. The decrease in other operating expenses from CHF 9.6 million in FY2016 to CHF 5.5 million in FY2017 is mainly due to a foreign exchange revaluation loss in 2016 of CHF 1.4million compared to a foreign exchange gain in FY2017 of CHF 1.6million

### **Finance Costs**

Finance costs comprise mainly of interest payable on convertible loans issued. Finance costs accounted for 13.5% and 9.6% of our Group's trading revenue in FY2017 and FY2016 respectively. The increase in finance costs from CHF1.8 million in FY2016 to CHF 2.8 million in FY2017 is mainly due to increased borrowings through FY 2017 and the issuance of new pre-IPO convertible loan.

### **Income Tax Credit**

Income tax credit relates to tax credit received in compliance with the UK tax regulation, where certain expenditure on research and development qualifies for tax credit. The application is usually filed in the following year and payment is processed after examination.

Income tax credit amounted to CHF 0.7 million and CHF 0.3 million in FY2017 and FY2016 respectively. The increase in income tax credit is mainly due to increased development costs of our IT platform which attracts research and development tax credits.



## **REVIEW OF FINANCIAL POSITION**

### *Review of the Group's financial position as at 31 December 2017 as compared to 31 December 2016*

#### **Non-current assets**

Our Group's non-current assets comprised property, plant and equipment, and intangible assets.

Intangible assets increased by approximately CHF 1.3 million or 3.6% mainly due to ongoing development costs incurred in our technology platforms. As at 31 December 2017, the intangible assets amounted to CHF 36.5 million, or 99.8% of the total non-current assets and comprised of CHF 3.1 million relating to our Group's WeTrade, Tradehub and Account Management System, and CHF 33.4 million relating to goodwill arising out of the acquisition of shares in our subsidiaries.

#### **Current assets**

Our Group's current assets comprised mainly other receivables, derivative financial instruments, cash and cash equivalents, and investment securities.

Trade and other receivables increased from CHF 33.9 million as at 31 December 2016 to CHF 51.6 million as at 31 December 2017 due to an increase in client segregated funds arising from increased client funds received as a consequence of the number of active clients increasing from 32,816 in FY2016 to 51,606 in FY2017. As at 31 December 2017, trade and other receivables comprised of (i) segregated client funds of CHF 44.0 million; (ii) amount due from brokers of CHF 6.3 million; (iii) client fund assets of CHF 0.2 million, (iv) other receivables of CHF 0.5 million; and (v) prepayment of CHF 0.6 million comprising mainly property rental deposits.

Cash and cash equivalents amounted to approximately CHF 0.9 million, or approximately 1.7% of our Group's current assets. As at 31 December 2017, cash and cash equivalents comprised mainly cash balances denominated in GBP, CHF, EUR, SGD, DKK and USD.

Investment securities remained unchanged at approximately CHF 0.9 million and comprised of investments in Oanda and MyHero as at 31 December 2017.

#### **Current liabilities**

Our Group's current liabilities comprised mainly convertible bonds, trade and other payables, loans from related parties and derivative financial instruments.

Convertible bonds increased from CHF 0.5million to CHF 13.6million due to the reclassification from non-current liabilities to current liabilities as at 31 December 2017 as well as the issuance of new convertible bonds in FY2017.

Trade and other payables increased by approximately CHF 37.3 million in FY2016 to CHF 55.9 million in FY2017 due to the increase in client funds throughout the year arising from increased client funds received as a consequence of the number of active clients increasing from 32,816 in FY2016 to 51,606 in FY2017. As at 31 December 2017, trade and other payables comprised of (i) client funds of approximately CHF 47.9 million relating to amounts owed to clients; (ii) provisions and accruals of CHF 4.7 million relating to amounts due to trading partners and general operating expense accruals in the ordinary course of business; (iii) trade payables of CHF 2.9 million; (iv) VAT and other payables of CHF 0.4 million.

Loans from related parties decreased from CHF 3 million as at 31 December 2016 to CHF 1.9 million to certain as at 31 December 2017 to certain loans being reclassified as convertible bonds during the year. Loans from related parties as at 31 December 2017 relate to loans from Global Money Ventures AG, the Directors, Executive Officer and other shareholders which are unsecured and bore interest rates of 2.25% to 8.00% per

annum and amounted to CHF 1.9 million. Please refer to the section entitled “Interested Persons Transactions” in this Offer Document for further details.

Derivative financial instrument increased from CHF 54,000 as at 31 December 2016 to CHF 9.1 million in as at 31 December 2017 due to a reclassification of non-current derivative liabilities to current derivative liabilities during 2017 and also the issuance of new convertible bonds with a derivative component of CHF 3.3 million in FY2017. Derivative financial instruments as at 31 December 2017 relate to (i) derivative liability component of issued convertible bonds amounting to CHF 6.9 million; and (ii) valuation of financial derivative open positions amounting to CHF 2.2 million.

#### **Non-current liabilities**

The absence of convertible bonds of CHF 8.1 million as at 31 December 2017 was mainly due to the conversion of a convertible bond of CHF 4.9 million as well as the remaining non-current convertible bonds being reclassified as current liabilities.

Employee benefit liabilities related to the mandatory pension scheme in Switzerland and remains unchanged at CHF 0.8 million.

The absence of derivative financial instruments of CHF 4.7 million as at 31 December 2017 was mainly due to the conversion of a convertible bond of CHF 0.47 million as well as the remaining derivative liabilities related to the convertible bonds being reclassified as current liabilities.

#### **Negative working capital**

The Group recorded a negative working capital of approximately CHF26.9 million as at 31 December 2017. The Directors are of the opinion that, having made due and careful enquiry and after taking into account internal and external source of funds including proceeds arising from the IPO in March 2018, that the Company has sufficient working capital and resources available for the next 12 months from the date of this announcement

### **REVIEW OF THE GROUP’S CASHFLOW STATEMENT**

#### **Net cash used in operating activities**

In FY2017, we recorded net cash outflow from operating activities of approximately CHF 4.4 million, which comprised operating cash outflow before changes in working capital of approximately CHF 7.0 million, net working capital inflow of CHF 2.4 million, interest paid of approximately CHF 7,000 and income tax credit received of approximately CHF 0.4 million.

#### **Net cash used in investing activities**

In FY2017, we recorded a net cash outflow from investing activities of approximately CHF 2.0 million. This was mainly due to the investment in internally generated intangibles of WeTrade, TradeHub and ayondo AMS of approximately CHF 2 million.

#### **Net cash generated from financing activities**

In FY2017, we recorded a net cash inflow from financing activities of approximately CHF 3.4 million. This was largely attributable to proceeds from short term loans of CHF 3.5 million. This was partially offset by a repayment of shareholder loans of CHF 0.1 million.

As at 31 December 2017, our cash and cash equivalents amounted to approximately CHF 0.9 million.

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

Not applicable. The Group has not previously disclosed any forecast or prospect statements to its shareholders.

**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.**

We continue to focus on the growth of our B2B and B2C business whilst maintaining cost discipline. Whilst it is hard to predict revenues in the short term due to varying degrees of volatility in the global economy, scaling the business through client acquisition at low cost is at the heart of the fintech model and we continue to make strong progress in this regard. We closely monitor the regulatory environment that we operate within and seek to react as quickly and efficiently as possible to minimise any potential impact on our business.

**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 FY2017.

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

Not applicable. No dividend has been recommended or declared for FY2016.

**(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.**

No dividend has been declared for FY2017.

**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. Save as disclosed in pages 219-231 of the Offer Document, there were no new IPT above S\$100,000 for the year ended 31 December 2017.

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

Not required for announcement on full year results.

**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.

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

Not applicable. The Group's revenue is derived from a single operating entity.

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

Not applicable

**18. A breakdown of sales as follows:-**

	<b>Group FY2017 CHF'000 (unaudited)</b>	<b>Group FY2016 CHF'000 (unaudited)</b>	<b>Increase/ (decrease) %</b>
a) Sales reported for first half year	9,633	9,063	6.3%
b) Operating loss before tax for first half	(3,519)	(3,307)	6.4%
c) Sales reported for second half year	11,122	9,823	13.2%
d) Operating loss before tax for second half year	(4,090)	(5,656)	(27.7)%

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

Not applicable. No dividend has been declared for FY2017 and FY2016.

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

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

**21. Use of IPO Proceeds**

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$18.45 million (the "Net Proceeds"). Please refer to the Offer Document for further details.

As at the date of this announcement, the Net Proceeds have been utilised as follows:

<b><u>Purpose</u></b>	<b><u>Amount allocated</u></b> <b><u>(S\$'000)</u></b>	<b><u>Amount utilised</u></b> <b><u>(S\$'000)</u></b>	<b><u>Balance</u></b> <b><u>(S\$'000)</u></b>
Platform enhancement	2,100	-	2,100
Marketing spend	5,250	-	5,250
General working capital purposes	2,600	-	2,600
Repayment of loans	8,500	8,500	-
<b>Total</b>	<b>18,450</b>	<b>8,500</b>	<b>9,950</b>

**BY ORDER OF THE BOARD**

Thomas Winkler  
Executive Chairman  
9 May 2018

## **Appendix 1 – Independent Auditors Report**

### **Opinion**

We have audited the financial statements of ayondo Ltd (the “Company”) and its subsidiary companies (collectively, the “Group”), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year ended, and notes to the financial statements, including a summary of the accounting policies.

In our opinion, the accompany consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. 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 the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

## **Key Audit Matters (continued)**

### ***Information technology (IT) systems supporting the key financial accounting and reporting processes***

The Group's operations and key financial accounting and reporting processes are highly dependent on the controls over the Group's information technology systems. The IT systems are vital to the ongoing operations and to the integrity of the financial accounting and reporting processes. Therefore, we identified this to be a key audit matter.

Our audit procedures included, amongst others,

- With the assistance of our internal IT specialists, inquired management to understand and identify the IT system supporting the key financial accounting and reporting processes;
- Involved our IT specialists to support us in the evaluation of the design and operating effectiveness of IT controls of the key financial accounting and reporting;
- Considered the process and controls over the granting of appropriate access rights to IT applications relevant to financial accounting and reporting systems and the operating effectiveness of the controls over granting and removal of access rights; and
- Tested, on a sample basis, the data integrity and reconciliations of the financial reports generated by the financial accounting and reporting systems.

### ***Accounting and valuation of convertible bonds***

The liability component and embedded derivative component of the convertible bonds amounted to CHF13.6m and CHF6.9m respectively as at 31 December 2017. The accounting treatment and valuation for the convertible bonds are complex. Therefore, we identified this to be a key audit matter.

Our audit procedures included, amongst others,

- Reviewed the key terms of the convertible bond agreements to obtain understanding of the terms of the transactions;
- Assessed the identification and classification of the liability component and embedded derivative component of the convertible bonds;
- Involved our internal specialists in reviewing the fair value of the embedded derivative component and the carrying amount of the liability component of the convertible bonds;
- Involved our internal specialists in assessing the reasonableness of the key inputs such as share price and time to expiry used in determining the fair value of the embedded derivative component; and
- Reviewed the adequacy of the disclosures made in Note 20 to the consolidated financial statements.

## **Key Audit Matters (continued)**

### ***Impairment assessment of intangible assets***

As at 31 December 2017, the carrying value of the Group's intangible assets amounted to CHF 36.5m, which represented 40.5% of the total assets of the Group. Intangible assets consists of IT platform development cost and goodwill amounted to CHF 3.1m and CHF 33.4m respectively. Management determined the recoverable amount of the intangible assets based on fair value less costs of disposal. An external valuation expert was engaged to assist management in arriving at the fair value less costs of disposal. The impairment test for intangible assets is significant to our audit because the assessment process is complex and involve significant management judgement to estimate the Group's projected revenue and apply the appropriate revenue multiple. Therefore, we identified this to be a key audit matter.

Our audit procedures included, amongst others,

- Assessed the competency, objectivity and capabilities of the external valuation expert engaged by the Group.
- Discussed with external valuation expert to obtain an understanding and assessed the valuation methodology used by the expert;
- Evaluated the appropriateness of the key assumption used in the valuation, such as revenue multiples of the Group by comparing it to companies in the similar industry; and
- Reviewed the adequacy of the disclosures made in Note 15 of the consolidated financial statements.

### ***Capitalisation of IT platform development costs***

As at 31 December 2017, the carrying value of the capitalised IT platform development cost was CHF 3.1 million. We considered the audit of management's capitalisation of IT platform development cost to be a key audit matter because management exercises significant judgement to determine the appropriate internal and external consulting costs to qualify for capitalisation. Therefore, we identified this to be a key audit matter.

Our audit procedures included, amongst others,

- Gained an understanding of the Group's research and development projects and the associated cost incurred to date;
- Evaluated the nature of development costs capitalised as IT platform intangible assets;
- Assessed the reasonableness of the development cost capitalised based on our knowledge of the business and industry and the confirmation from external service providers for external consulting cost; and
- Evaluated the appropriateness of expenses capitalised, on a sample basis, by agreeing the material external consulting cost and internal costs to external invoices, internal timesheets and payroll records.



## **Other Information**

Management is responsible for other information. The other information comprises directors' statement set out on pages 1 to 3.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, 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 objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors 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 Chan Yew Kiang.

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Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore