

FIRST QUARTER 2016 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(a)(i) Income statement

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		Incr/(Decr) %
	1st Quarter ended 31 March		
	2016	2015	
	Unaudited SGD'000	Unaudited SGD'000	
Revenue	45,011	13,127	243%
Other income	506	15	3273%
Total income	45,517	13,142	246%
Cost of services	(28,456)	(3,398)	737%
Amortisation of intangibles assets	(1,425)	(2,555)	-44%
Depreciation	(30)	(12)	150%
Employee benefit expenses	(1,812)	(1,059)	71%
Other expenses	(951)	(1,697)	-44%
Profit before tax	12,843	4,421	190%
Taxation	-	-	nm
Profit after tax	12,843	4,421	190%
Other comprehensive income :			
Exchange differences on translation	(4,605)	2,845	nm
Total comprehensive income for the period	8,238	7,266	13%
Profit attributable to:			
Equity holders of the Company	12,843	4,324	197%
Non controlling interests	-	97	nm
	12,843	4,421	190%
Total comprehensive income attributable to :			
Equity holders of the Company	8,238	7,169	15%
Non controlling interests	-	97	nm
	8,238	7,266	13%
EBITDA	14,298	6,988	105%
EBIT	12,843	4,421	190%

1(a) (ii) Profit before income tax is arrived at after charging / (crediting) the following

	Group		Change in %
	1st Quarter ended 31 March		
	2016	2015	
	SGD'000	SGD'000	
<i>Unrealised exchange loss/(gain)</i>	(396)	1,340	NM

1(b)(i) Balance sheet

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		
	31 Mar 2016	31 Dec 2015	Incr/(Decr)	31 Mar 2016	31 Dec 2015	Incr/(Decr)
	Unaudited SGD'000	Audited SGD'000		Unaudited SGD'000	Audited SGD'000	
Non-current assets						
Plant and equipment	275	290	-5%	-	-	nm
Investments in subsidiaries	-	-	nm	311,098	325,001	-4%
Intangible assets	13,302	11,953	11%	1,005	1,151	-13%
Trade and other receivables	1,359	1,421	-4%	-	-	nm
Assets available for sale	69,901	54,989	27%	-	-	nm
Total non-current assets	84,837	68,653	24%	312,103	326,152	-4%
Current assets						
Trade and other receivables	24,233	34,714	-30%	19,974	19,581	2%
Prepayments	162	231	-30%	103	132	-22%
Cash and cash equivalents	2,217	3,748	-41%	39	628	-94%
Total current assets	26,612	38,693	-31%	20,116	20,341	-1%
Total assets	111,449	107,346	4%	332,219	346,493	-4%
Equity						
Share capital	80,172	80,172	0%	80,172	80,172	0%
Share premium	23,182	23,182	0%	253,165	253,165	0%
Other reserves	5,425	9,609	-44%	30,882	45,546	-32%
Accumulated losses	(3,966)	(16,809)	-76%	(33,585)	(33,914)	-1%
Total equity	104,813	96,154	9%	330,634	344,969	-4%
Current liabilities						
Trade and other payables	6,636	11,192	-41%	1,585	1,524	4%
Total current liabilities	6,636	11,192	-41%	1,585	1,524	4%
Total liabilities	6,636	11,192	-41%	1,585	1,524	4%
Total liabilities and equity	111,449	107,346	4%	332,219	346,493	-4%

1(b)(ii) Details of borrowings

In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:—

- (A) the amount repayable in one year or less, or on demand;*
- (B) the amount repayable after one year;*
- (C) whether the amounts are secured or unsecured; and*
- (D) details of any collaterals.*

The group does not have any outstanding borrowing as at 31 March 2016 and 31 December 2015.

	Amount repayable in one year or less		Amount repayable after one year	
	<u>Group</u>		<u>Group</u>	
	As at 31 Mar 2016	As at 31 Dec 2015	As at 31 Mar 2016	As at 31 Dec 2015
	Unaudited SGD'000	Audited SGD'000	Unaudited SGD'000	Audited SGD'000
Loans and borrowing				
Secured	-	-	-	-
Unsecured	-	-	-	-

1(c) Cash flows statement

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

	Group	
	1st Quarter ended 31 March	
	2016	2015
	Unaudited	Unaudited
	SGD'000	SGD'000
Cash flows from operating activities		
Profit before tax	12,843	4,421
Adjustments for:		
Amortisation of intangible assets	1,425	2,555
Non-cash revenue generated	(16,408)	(9,813)
Depreciation of plant and equipment	30	12
Share based compensation	421	166
Operating cash flows before working capital changes	(1,689)	(2,659)
Change in trade and other receivables	4,751	1,755
Change in prepayments	31	(45)
Change in trade and other payables	(4,168)	(1,345)
Cash used in operations	(1,075)	(2,294)
Interest received	-	-
Net Cash used in operating activities	(1,075)	(2,294)
Cash flows from investing activities		
Purchase of plant and equipment	(14)	(101)
Development costs incurred	(241)	(236)
Net cash used in investing activities	(255)	(337)
Cash flows from financing activities		
Net cash (used in)/generated from financing activities	-	-
Net change in cash and cash equivalents	(1,330)	(2,631)
Cash and cash equivalents at beginning of period	3,748	12,432
Net effect of exchange differences	(201)	639
Cash and cash equivalents at end of period	2,217	10,440

1(d)(i) Change in Equity

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 SGD'000	Share premium SGD'000	Foreign currency translation account SGD'000	Share option reserve SGD'000	(Accumulated Losses)/ Retained earnings SGD'000	Total equity attributable to the owners of the parent	Non-controlling interests SGD'000	Total equity SGD'000
						SGD'000		
Balance at 1 January 2016	80,172	23,182	8,128	1,481	(16,809)	96,154	-	96,154
Profit for the period	-	-	-	-	12,843	12,843	-	12,843
Exchange differences on translation of foreign operations	-	-	(4,605)	-	-	(4,605)	-	(4,605)
Total comprehensive income for the period	-	-	(4,605)	-	12,843	8,238	-	8,238
Employee share option scheme	-	-	-	421	-	421	-	421
Total transactions with owners of the parent	-	-	-	421	-	421	-	421
Balance at 31 March 2016	80,172	23,182	3,523	1,902	(3,966)	104,813	-	104,813
Balance at 1 January 2015	79,855	22,532	2,864	82	(49,706)	55,627	646	56,273
Profit for the period	-	-	-	-	4,324	4,324	97	4,421
Exchange differences on translation of foreign operations	-	-	2,845	-	-	2,845	-	2,845
Total comprehensive income for the period	-	-	2,845	-	4,324	7,169	97	7,266
Employee share option scheme	-	-	-	166	-	166	-	166
Total transactions with owners of the parent	-	-	-	166	-	166	-	166
Balance at 31 March 2015	79,855	22,532	5,709	248	(45,382)	62,962	743	63,705

Company

	Share capital SGD'000	Share premium SGD'000	Other reserve SGD'000	(Accumulated Losses)/ Retained earnings SGD'000	Total equity SGD'000
Balance at 1 January 2016	80,172	253,165	45,546	(33,914)	344,969
Profit for the period	-	-	-	329	329
Employee share option scheme	-	-	421	-	421
Exchange differences on translation of foreign operations	-	-	(15,085)	-	(15,085)
Balance at 31 March 2016	80,172	253,165	30,882	(33,585)	330,634
Balance at 1 January 2015	79,855	252,534	18,544	(29,011)	321,922
Loss for the period	-	-	-	(2,880)	(2,880)
Employee share option scheme	-	-	1,399	-	1,399
Exchange differences on translation of foreign operations	-	-	15,658	-	15,658
Balance at 31 March 2015	79,855	252,534	35,601	(31,891)	336,099

1(d)(ii) Change in number of shares

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The Company did not issue any new shares in 1Q2016.

No new options were granted and exercised in 1Q2016, 779,750 share options were cancelled in 1Q2016. Total number of Options outstanding as at 31 March 2016 is 26,701,595 which are exercisable into 26,701,595 ordinary shares in the Company.

The Company did not have any other outstanding convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

1 (d)(iii) Total number of shares

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.

	As at	
	31-Mar-16	31-Dec-15
Total number of outstanding shares	634,383,682	634,383,682
Treasury shares	-	-
Total number of shares ex. Treasury shares	634,383,682	634,383,682

1 (d)(iv) Evolution of treasury shares

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

The Group and Company have no treasury shares.

2. Review of financial figures

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

The financial statements have not been audited or reviewed by the Company's auditor.

3. Auditors report

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

Not applicable

4. Accounting policies

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 computations applied by the Group are consistent with those used in its audited financial statements for the financial year ended 31 December 2015, except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2016.

5. Change in accounting policies

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.

The adoption of the new and revised FRSs and Interpretation of FRSs applicable for the financial period beginning 1 January 2016 did not result in a significant change to the Group's accounting policies and is assessed to have no material impact to the results of the Group and of the Company for the quarter ended 31 March 2016.

6. Earnings per share

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:

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Group	
	1st Quarter ended 31 March 2016	2015
Earning Per Share		
Undiluted EPS (in SGD cents)	2.02	0.68
Fully diluted EPS (in SGD cents)	1.94	0.66

7. Net asset value per share

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 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net Asset Value per Share				
Net Asset value att. to shareholder in SGD '000	104,813	96,154	330,634	344,969
- Undiluted number of shares in '000	634,384	634,384	634,384	634,384
Undiluted NAV per share (in SGD cents)	16.52	15.16	52.12	54.38

8. Performance review

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.*

1st Quarter 2016 (1Q 2016) vs. 1st Quarter 2015 (1Q 2015)

Income Statement

The Group's revenue for 1Q 2016 was SGD45.0 million. This represents a SGD31.9 million (243%) increase over the corresponding period in 2015.

Revenue grew in both e-commerce and franchise sales. E-commerce revenues, comprising online sales and online payments, improved by 763% or SGD25.3 million to SGD28.6 million in 1Q 2016 over the prior year comparative of SGD3.3 million.

1Q 2016 franchise sales were SGD13.3 million. This represents a 74% increase over the SGD7.6 million earned in 1Q 2015.

1Q 2016 network sales totaled SGD3.1 million, a 41% increase over the SGD2.2 million earned in 1Q 2015.

The Group's cost of sales, which mainly relates to the costs, revenue share and commissions on e-commerce transactions, for 1Q 2016 increased from SGD3.4 million to SGD28.5 million, driven by a commensurate increase in the level of e-commerce revenue.

Decrease in amortisation of intangible assets from SGD2.6 million in 1Q 2015 to to SGD1.4 million in 1Q 2016 relates mainly to endorsement rights that were fully amortised in late 2015.

The Group's 1Q 2016 employee-related costs was SGD1.8 million as compared to 1Q 2015's SGD1.1 million, due to increased staff numbers in China and Nigeria.

Other expenses amounted to SGD1.0 million representing advertising, administrative, legal and professional fees and currency exchange impact arising from the movement of the US Dollar applied to Singapore Dollar denominated assets and liabilities.

The Group is debt-free and thus has no finance expenses.

The Group registered a net profit of SGD12.8 million in 1Q 2016, compared to SGD4.4 million in 1Q 2015, an increase of 191%.

Balance Sheet

Non-current assets

The increase of SGD16.2 million in non-current assets was due to the increase in both assets available for sale and the intangible asset, advertising rights. The increase in assets available for sale arises from the shares in YuuZoo's Mexico franchisee that were received in consideration for entry into the Mexico licence arrangement. The increase in intangible assets arose from the advertising rights received from customers in exchange for network services provided by YuuZoo.

Current assets

The Group's current assets decreased by SGD12.1 million from SGD38.7 million as at 31 December 2015 to SGD26.6 million as at 31 March 2016. The decrease was mainly due to reductions in trade and other receivables. This asset category reduced predominantly as a consequence of faster settlement of the groups e-commerce transactions together with a reduction of SGD4.3 million related to a debt being satisfied by the provision of shares in YuuZoo's Mexico franchisee company.

The Group's cash and cash-equivalents as at 31 March 2016 was SGD 2.2million, representing a decrease of SGD1.5 million from December 2015 balance of SGD3.7 million. The amount was primarily used in operating activities as detailed in the cash flow statement included in this announcement.

Current liabilities

The Group's current liabilities decreased by SGD4.6 million from SGD11.2 million as at 31 December 2015 to SGD6.6 million as at 31 March 2016 due to faster settlement of the groups e-commerce transactions.

Cash flows

Net change in cash and cash-equivalents showed a reduction of SGD1.3 million in 1Q2016 compared to a decrease of SGD2.6million in 1Q2015.

The profit before tax of SGD12.8 million in the current quarter (2015, SGD4.4 million) included SGD16.4 million in revenue received in the form of shares and advertising rights (2015, SGD9.8 million) and non-cash based expenses of SGD1.9 million (2015, SGD2.7 million). In 1Q2016, the Company's decreased receivables and payables, freed up cash of SGD0.6 million (2015, SGD0.4 million).

During 1Q2016, operating activities used SGD1.1 million. This is a SGD1.2 million improvement over 1Q2015 where these activities absorbed SGD2.3 million.

9. Variance with formerly disclosed forecasted figures

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

Not applicable.

10. Competitive landscape and trends of the industry

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 current annual global market size of e-commerce, social media, games and payments is already estimated to be well over USD2 trillion. While competition is increasing, YuuZoo is, by combining social networking, e-Commerce and gaming in a mobile-optimised, fully localised tribal marketplace, where the consumer can access hundreds of tribal social networks, shops and entertainment through one single login, and with the entire platform fully localised for each market as comes to language as well as merchandise and design by local partners and franchisees, strongly positioned in the social e-commerce space. YuuZoo's unique business model gives the Company a competitive advantage in a business space that continues to grow strongly.

11. Dividend

If a decision regarding dividend has been made:

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

(b)

(i) *Amount per share cents*

(ii) *Previous corresponding period cents*

(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).*

(d) *The date the dividend is payable.*

(e) *The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

- (a) Nil

- (b) Not applicable

- (c) Not applicable

- (d) Not applicable

- (e) Not applicable

12. Dividend declaration / recommendation

If no dividend has been declared (recommended), a statement to that effect

No dividend for the 3 months ended 31 March 2016 is declared or recommended.

The Group is not declaring any dividend as a large part of the increase in revenue and profits is non-cash. The Group however wants to underline that the method of receiving payment for the exclusive franchise licenses in shares in the companies that run the franchise operations, is designed to enable the Group to sell shares and distribute the proceeds as dividends once the franchisees operations achieve sufficient volume and value.

13. IPT

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.

Pursuant to the Special General Meeting held on 23th July 2014, the Group was granted an IPT Mandate. The Company did not seek a renewal of the IPT mandate at the AGM held on 29 May 2015.

14. Use of proceeds

The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

	Opening Balance		Use of proceeds		Closing balance	
	in SGD m	In %	in SGD m	In %	in SGD m	In %
<i>Intended Use and expenses in m SGD</i>						
Development of partnerships	9.7	53%	(7.0)	41%	2.7	184%
Investment in growth opportunities	4.8	26%	(3.0)	18%	1.8	123%
General corporate expenses and working capital purposes	3.9	21%	(6.9)	41%	(3.0)	-207%
Total	18.4	100%	(16.9)	100%	1.5	100%

Development of partnerships includes funding of Infocomm Asia Holdings Pte Ltd to finance their purchase and sale of games on behalf of the Group. An additional SGD2 million has been spent in setting up business with Nigeria partners including Etisalat and National Television Authority and expenses in setting up and administration of YuuZoo's franchisees network worldwide.

Investment in growth opportunities include loans provided to China and Philippine subsidiaries and the purchase of user data from games developers.

It has been possible to reduce the use of the RTO/IPO proceeds on the second category above by purchasing Camigo Games using YuuZoo shares in place of cash. This freed up SGD500,000 of the proceeds for working capital use.

During the quarter ended 31 March 2016, the group utilised SGD1.5 million from the proceeds allocated for general corporate expenses and working capital purposes mainly for employee costs, office expenses and professional fees.

15. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

16. Confirmation pursuant to Rule 705(5) of listing manual

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the three months ended 31 March 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

JAMES SUNDRAM
CHIEF EXECUTIVE OFFICER

05 May 2016