



Announcement

VOLUNTARY CLARIFICATION ON ARTICLE ON DEALSTREETASIA

Singapore main board listed YuuZoo Corporation Limited ("**YuuZoo**") (SGX: **AFC**) (the "**Company**"), notes the release of the DealStreetAsia article, "**Exclusive: YuuZoo in early talks to raise \$100m, mulls secondary listing on NASDAQ**" on 8 December 2014. Article appended below.

YuuZoo would like to clarify the following content:

- (a) YuuZoo "is expected to sell about 20 per cent equity, to raise between S\$50-100 million"
- (b) YuuZoo could possibly explore "a secondary listing on the NASDAQ"
- (c) Yuuzoo is "also planning to expand operations and establish a presence in Silicon Valley", "may take the inorganic route through acquisitions to reach the Valley" and "in discussions with some companies in the Valley about possible acquisitions of them and this could be one way of getting there to buy an existing operation with a good team".

As part of ordinary course of business, YuuZoo is in constant discussions with potential investors, analysts, investment banks and companies to enhance shareholders' value.

With regards to the above matters, YuuZoo wishes to clarify that no decision has been made by YuuZoo's board of directors (the "**Board**") on any of the quoted issues. The Company has also not appointed any professionals for this purpose. In the event any decisions or appointments are made, the Board will make necessary disclosure by way of required announcements.

In the event that shareholders and other investors are in doubt when dealing in the Company's securities, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By order of the Board

Thomas Zilliacus

Executive Chairman & CEO

12 December 2014



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ABOUT YUUZOO®:

Headquartered in Singapore and listed on the SGX mainboard (SGX: AFC), with access to over 85 million registered users, over 700 million TV viewers and over 80 million followers in 164 countries, YuuZoo in a unique way combines e-commerce, social networking and gaming in a mobile-optimized, fully localized virtual shopping mall, where the consumer can access hundreds of targeted social networks, targeted shops and targeted games through one single login. All networks and shops are localized for each market as comes to language, merchandise and design. To see the networks, please log onto: www.yuuzoo.com or www.yuuzoo.cn. For more information about the company, please visit: www.yuucorp.com

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Important Notice

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view on future events.

Macquarie Capital (Singapore) Pte. Limited was the financial adviser to W Corporation Limited (now known as YuuZoo Corporation Limited) in relation to the acquisition of the entire issued and paid-up share capital of YuuZoo Corporation and its subsidiaries.

Article extracted from <http://www.dealstreetasia.com/stories/exclusive-yuuzoo-in-early-talks-with-investors-to-raise-up-to-100m/>

Exclusive: YuuZoo in early talks to raise \$100m, mulls secondary listing on NASDAQ

By [Joji Thomas Philip](#) on December 8, 2014 | [Technology](#) | [Singapore](#)



Singapore-based social and e-commerce firm [YuuZoo Corporation](#) is in early talks with financial investors to raise up to S\$100 million, to fund growth, a top company executive said.

YuuZoo, the first and the only social e-commerce network operator to be listed on the Singapore exchange, is expected to sell about 20 per cent equity, to raise between S\$50-100 million, its executive chairman and chief executive officer Thomas Zilliacus said in a recent interaction with **DEALSTREETASIA**.

The home grown internet company may also consider a secondary listing on NASDAQ.

“We have about 45 employees and the total cost for them is about \$250,000. We have about S\$20 million in the bank – that means we have money for seven to eight years of operations at current levels. We will grow operations, which means the costs will grow, but we are also making money; and from that point of view, we are not necessarily in a position where we need strategic investors. But having said that, we are in talks with investors about raising more funds, in order to grow the business more quickly.”

We are looking to raise between S\$50 million – \$100 million. Our share price has been going up every day – we now have a market cap of around S\$400 million. At this valuation, we are looking at a 20 per cent stake sale to raise \$100 million. With \$100 million, I know that I can grow YuuZoo to a multi-billion dollar company quite quickly. We are not looking for a strategic investors – we would rather have a financial investor,” Thomas Zilliacus said.

(DEALSTREETASIA had interviewed Zilliacus during November last week when the company’s share price had touched a high S\$0.60 per share, but it has since fallen significantly and closed at S\$0.38 last week).

The YuuZoo chief executive also admitted that listing the company in Singapore was a ‘calculated risk’, and said a secondary listing on the NASDAQ could be a possibility.



“We are the only social media company listed in the Singapore exchange. If Singaporean investors want to be involved in social media, they have to invest in us. The challenge is that when you are the only one, and investors don’t understand your business, then you are lost. But if they like you, it is great, because had I been listed on NASDAQ, I would have been one out of 500 such companies in that space. Initially when we listed, I was worried as our share price kept declining. This was mainly because people did not understand what we were doing. We have been approached by several large banks to do a secondary listing at NASDAQ. If we don’t see traction in Singapore, we will consider there,” he said.

YuuZoo, whose business model involves building mobile-optimised and device-agnostic targeted social e-commerce networks for businesses and consumers, is also planning to expand operations and establish a presence in Silicon Valley. Zilliacus said Yuuzoo may take the inorganic route through acquisitions to reach the Valley.

“Being in the (Silicon) Valley is in our agenda – we have been growing so quickly that we have not had the time to go there. In our business, a lot of creative talent as well as investor money, is in the valley. In the relatively near future, we will have a presence there. We are in discussions with some companies in the Valley about possible acquisitions of them, and this could be one way of getting there to buy an existing operation with a good team,” he said.

In November, the company said its nine month adjusted net profit had jumped 286 per cent to \$8.5 million, when compared to the same period last year. Its revenues grew 26 per cent and EBIDTA (earnings before interest, tax, depreciation and amortisation as a percentage of revenues), a key measure of a company’s operating profitability, grew 367 per cent to \$11.2 million

During this period, the company also grew its access to 65 million registered users and 700 million TV viewers as against just 37 million registered users in the same period last year. Besides, its payment merchants grew to over 100 in the first nine months this year when compared with only seven in the corresponding period last year.

Zilliacus also pointed that unlike the US, firms in Asia did not have the liberty to focus solely on growth during their initial stage, and attributed the slower growth of tech companies in the region to the fact that they had to take care of their balance sheets.

“In Singapore, the venture capital industry is not the same as the US. You do not VCs here who will say, ‘here is \$100 million – just take it and grow the business and one day it will be profitable’. Here you have an environment where investors look at the bottom line, and if you do not make money, they will not be interested in your company. We are six years old and this is the fourth year we are in profits. Every single year, our profit has grown. Had we grown without having to look at the bottom line, this company would have been bankrupt several years ago,” he added.