

SECOND 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			Group		
	2nd Quarter ended 30 June		Incr/(Decr) %	Half year ended 30 June		Incr/(Decr) %
	2016	2015		2016	2015	
	Unaudited SGD'000	Unaudited SGD'000		Unaudited SGD'000	Unaudited SGD'000	
Revenue	35,796	10,686	235%	80,807	23,813	239%
Other income	195	-	nm	701	15	4573%
Total income	35,991	10,686	237%	81,508	23,828	242%
Cost of services	(18,485)	(4,784)	286%	(46,941)	(8,182)	474%
Amortisation of intangibles assets	(1,182)	(2,494)	-53%	(2,607)	(5,049)	-48%
Depreciation	(33)	(24)	38%	(63)	(36)	75%
Employee benefit expenses	(1,228)	(1,767)	-31%	(3,040)	(2,826)	8%
Other expenses	(786)	(365)	115%	(1,737)	(2,062)	-16%
Profit before tax	14,277	1,252	1040%	27,120	5,673	378%
Taxation	-	-	nm	-	-	nm
Profit after tax	14,277	1,252	1040%	27,120	5,673	378%
Other comprehensive income :						
Exchange differences on translation	(44)	(1,508)	-97%	(4,649)	1,337	nm
Total comprehensive income for the period	14,233	(256)	nm	22,471	7,010	221%
Profit attributable to:						
Equity holders of the Company	14,277	1,299	999%	27,120	5,623	382%
Non controlling interests	-	(47)	nm	-	50	-100%
	<u>14,277</u>	<u>1,252</u>	<u>1040%</u>	<u>27,120</u>	<u>5,673</u>	<u>378%</u>
Total comprehensive income attributable to :						
Equity holders of the Company	14,233	(209)	nm	22,471	6,960	223%
Non controlling interests	-	(47)	nm	-	50	-100%
	<u>14,233</u>	<u>(256)</u>	<u>nm</u>	<u>22,471</u>	<u>7,010</u>	<u>221%</u>
EBITDA	15,492	3,770	311%	29,790	10,758	177%
EBIT	14,277	1,252	1040%	27,120	5,673	378%

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

	Group			Group		
	2nd Quarter ended 30 June		Change in %	Half year ended 30 June		Change in %
	2016	2015		2016	2015	
	SGD'000	SGD'000		SGD'000	SGD'000	
Unrealised exchange (gain)/loss	(111)	(632)	-82%	(507)	708	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		
	30 Jun	31 Dec	Incr/(Decr)	30 Jun	31 Dec	Incr/(Decr)
	2016	2015		2016	2015	
	Unaudited	Audited		Unaudited	Audited	
	SGD'000	SGD'000		SGD'000	SGD'000	
Non-current assets						
Plant and equipment	310	290	7%	-	-	nm
Investments in subsidiaries	-	-	nm	308,860	325,001	-5%
Investment in associate	2,888	-	nm	2,888	-	nm
Intangible assets	14,958	11,953	25%	905	1,151	-21%
Trade and other receivables	1,353	1,421	-5%	-	-	nm
Assets available for sale	86,412	54,989	57%	-	-	nm
Total non-current assets	105,921	68,653	54%	312,653	326,152	-4%
Current assets						
Trade and other receivables	19,448	34,714	-44%	19,724	19,581	1%
Prepayments	176	231	-24%	5,166	132	3814%
Cash and cash equivalents	4,797	3,748	28%	178	628	-72%
Total current assets	24,421	38,693	-37%	25,068	20,341	23%
Total assets	130,342	107,346	21%	337,721	346,493	-3%
Equity						
Share capital	86,267	80,172	8%	86,267	80,172	8%
Share premium	25,033	23,182	8%	255,016	253,165	1%
Other reserves	5,005	9,609	-48%	28,992	45,546	-36%
Accumulated losses	10,311	(16,809)	-161%	(34,233)	(33,914)	1%
Total equity	126,616	96,154	32%	336,042	344,969	-3%
Current liabilities						
Trade and other payables	3,726	11,192	-67%	1,679	1,524	10%
Total current liabilities	3,726	11,192	-67%	1,679	1,524	10%
Total liabilities	3,726	11,192	-67%	1,679	1,524	10%
Total liabilities and equity	130,342	107,346	21%	337,721	346,493	-3%

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 30 June 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 30 Jun 2016	As at 31 Dec 2015	As at 30 Jun 2016	As at 31 Dec 2015
	Unaudited	Audited	Unaudited	Audited
	SGD'000	SGD'000	SGD'000	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		Group	
	2nd Quarter ended 30 June		Half year ended 30 June	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
	SGD'000	SGD'000	SGD'000	SGD'000
Cash flows from operating activities				
Profit before tax	14,277	1,252	27,120	5,673
Adjustments for:				
Amortisation of intangible assets	1,182	2,494	2,607	5,049
Non-cash revenue generated	(16,961)	(6,135)	(33,369)	(15,948)
Depreciation of plant and equipment	33	24	63	36
Share based compensation	(376)	483	45	649
Operating cash flows before working capital changes	(1,845)	(1,882)	(3,534)	(4,541)
Change in trade and other receivables	4,709	(149)	9,381	1,606
Change in prepayments	(8)	(13)	23	(58)
Change in trade and other payables	(2,888)	168	(7,056)	(1,177)
Cash used in operations	(32)	(1,876)	(1,186)	(4,170)
Interest received	-	-	-	-
Net Cash used in operating activities	(32)	(1,876)	(1,186)	(4,170)
Cash flows from investing activities				
Purchase of plant and equipment	(52)	(133)	(66)	(234)
Development costs incurred	(255)	(245)	(496)	(481)
Net cash used in investing activities	(307)	(378)	(562)	(715)
Cash flows from financing activities				
Proceeds from issuance of shares	2,970	-	2,970	-
Share issue expense	(585)	-	(585)	-
Net cash (used in)/generated from financing activities	2,385	-	2,385	-
Net change in cash and cash equivalents	2,046	(2,254)	637	(4,885)
Cash and cash equivalents at beginning of period	2,217	10,440	3,748	12,432
Net effect of exchange differences	534	(302)	412	337
Cash and cash equivalents at end of period	4,797	7,884	4,797	7,884

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	-	-	-	-	27,120	27,120	-	27,120
Exchange differences on translation of foreign operations	-	-	(4,649)	-	-	(4,649)	-	(4,649)
Total comprehensive income for the period	-	-	(4,649)	-	27,120	22,471	-	22,471
Employee share option scheme	-	-	-	45	-	45	-	45
Issuance of shares during the year	6,095	1,851	-	-	-	7,946	-	7,946
Total transactions with owners of the parent	6,095	1,851	-	45	-	7,991	-	7,991
Balance at 30 June 2016	86,267	25,033	3,479	1,526	10,311	126,616	-	126,616
Balance at 1 January 2015	79,855	22,532	2,864	82	(49,706)	55,627	646	56,273
Profit for the period	-	-	-	-	5,673	5,673	50	5,723
Exchange differences on translation of foreign operations	-	-	1,337	-	-	1,337	-	1,337
Total comprehensive income for the period	-	-	1,337	-	5,673	7,010	50	7,060
Employee share option scheme	-	-	-	649	-	649	-	649
Total transactions with owners of the parent	-	-	-	649	-	649	-	649
Balance at 30 June 2015	79,855	22,532	4,201	731	(44,033)	63,286	696	63,982

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
Loss for the period	-	-	-	(319)	(319)
Employee share option scheme	-	-	3,589	-	3,589
Issurance of shares during the year	6,095	1,851	-	-	7,946
Exchange differences on translation of foreign operations	-	-	(20,143)	-	(20,143)
Balance at 30 June 2016	86,267	255,016	28,992	(34,233)	336,042
Balance at 1 January 2015	79,855	22,532	82	(49,706)	52,763
Loss for the period	-	-	-	5,621	5,621
Employee share option scheme	-	-	649	-	649
Exchange differences on translation of foreign operations	-	-	6,459	-	6,459
Balance at 30 June 2015	79,855	22,532	7,190	(44,085)	65,492

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 issued in total 44,915,073 shares in 2Q2016.

No new options were granted and exercised in 2Q2016, 5,714,380 share options were cancelled in 2Q2016. Total number of Options outstanding as at 30 June 2016 is 20,987,215 which are exercisable into 20,987,215 ordinary shares in the Company.

The Company did not have any other outstanding convertibles or treasury shares as at 30 June 2016 and 30 June 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	
	30 Jun 2016	31-Dec-15
Total number of outstanding shares	679,298,755	634,383,682
Treasury shares	-	-
Total number of shares ex. Treasury shares	679,298,755	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 30 June 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		Group	
	2nd Quarter ended 30 June		Half year ended 30 June	
	2016	2015	2016	2015
Earning Per Share				
Undiluted EPS (in SGD cents)	2.10	0.21	3.99	0.89
Fully diluted EPS (in SGD cents)	2.16	0.20	4.10	0.86

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	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net Asset Value per Share				
Net Asset value att. to shareholder in SGD '000	126,616	96,154	336,042	344,969
- Undiluted number of shares in '000	679,299	634,384	679,299	634,384
Undiluted NAV per share (in SGD cents)	18.64	15.16	49.47	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.*

2nd Quarter 2016 (2Q 2016) vs. 2nd Quarter 2015 (2Q 2015)

Income Statement

The Group's 2Q 2016 revenue was S\$35.8 million which was 235% higher than 2Q 2015's S\$10.7 million. The increase was mainly due to strong growth in e-commerce and franchise sales. E-commerce revenue increased by 307% from S\$4.6 million in 2Q 2015 to S\$18.7 million in 2Q 2016. Franchise sales registered S\$17.1 million in 2Q 2016, an increase of 176% as compared to S\$6.2 million in 2Q 2015.

The group 1H 2016 revenue was S\$80.8 million, 239% higher than 1H 2015's S\$23.8m. E-commerce contributed S\$47.2 million in 1H 2016 as compared to 1H 2015's S\$7.9 million. Franchise sales contributed S\$30.3 million in 1H 2016 as compared to 1H 2015's S\$13.8 million.

Other income increased from S\$15,000 in 1H 2015 to S\$701,000 in 1H 2016 mainly due to the gain in foreign exchange.

The Group's cost of services increased from S\$8.2 million in 1H 2015 to 1H 2016's S\$46.9 million, driven by a commensurate increase in the level of e-commerce revenue.

Amortisation of intangible assets decreased from S\$5.0 million in 1H 2015 to S\$2.6 million in 1H 2016 due to advertisement rights that were fully amortised in 2015.

Increase in employee-related costs from S\$2.8 million in 1H 2015 to S\$3.0 million in 1H 2016 was mainly due to increased staff numbers in China and Nigeria.

Other expenses amounted to SGD1.7 million representing advertising, administrative, legal and professional fees and loss on foreign exchange difference.

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

The Group registered a net profit of S\$14.3 million in 2Q 2016 as compared to S\$1.3 million in 2Q 2015.

For the half year ended 30 June 2016, the Group's net profit increased by 378% to S\$27.1 million from S\$5.7 million in the corresponding period in 2015. This increase was mainly driven by franchise sales in Mexico, Hungary, Slovakia and Czech Republic.

Balance Sheet

Non-current assets

The increase of SGD37.3 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 franchisees that were received in consideration for entry into licence arrangement in Mexico, Hungary, Slovakia and Czech Republic. 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 SGD14.3 million from SGD38.7 million as at 31 December 2015 to SGD24.4 million as at 30 June 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 Group's 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 received SGD1.5 million as partial debt settlement from Infocomm Asia Holdings Pte Ltd.

The Group's cash and cash-equivalents as at 30 June 2016 was SGD 4.8 million, an increase of SGD1.1 million from December 2015's balance of SGD3.7 million. The amount was primarily used in operating activities as detailed in the cash flow statement.

Current liabilities

The Group's current liabilities decreased by SGD7.5 million from SGD11.2 million as at 31 December 2015 to SGD3.7 million as at 30 June 2016 due to faster settlement to merchants in e-commerce.

Cash flows

Net change in cash and cash-equivalents showed a positive improvement of SGD2.0 million in 2Q2016 compared to a negative cashflow of SGD2.3 million in 2Q2015. The improvement was mainly due to proceeds from issuance of shares and decrease in trade and other receivables.

The profit before tax of SGD14.3 million in the current quarter (2Q 2015, SGD1.3 million) included SGD17.0 million in revenue received in the form of shares (2Q 2015, SGD6.1 million) and other non-cash based expenses of SGD0.8 million (2Q 2015, SGD3.0 million). In 2Q 2016, the Group's decreased receivables and payables, freed up cash of SGD1.8 million (2Q 2015, SGDNil).

For the quarter and half year ended 30 June 2016, the Group reported net operating cash outflows of SGD32,000 and SGD1.2 million respectively, as cash used in operation.

The Group's cash and bank balances as at 30 Jun 2016 were S\$4.8 million, representing 28% increase from FY2015's S\$3.7 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.

With the launch of SME arena, our joint venture with Etisalat in Nigeria, e-commerce revenue is expected to increase. In the long term, the Group expects a steady stream of recurring revenue from SME arena.

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 has been declared (recommended) for the quarter ended 30 June 2016.

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 27 May 2016, the Group was granted an IPT Mandate. No IPT transactions were performed over the current period reported on.

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)	40%	2.7	232%
Investment in growth opportunities	4.8	26%	(3.0)	18%	1.8	151%
General corporate expenses and working capital purposes	3.9	21%	(7.2)	42%	(3.3)	-283%
Total	18.4	100%	(17.2)	100%	1.2	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.

During the quarter ended 30 June 2016, the group utilised SGD1.8 million from the proceeds allocated for general corporate expenses and working capital purposes mainly for employee costs, office expenses and professional fees. The decrease in closing balance was mitigated by SGD1.46 million repayment from Infocomm Asia Holdings Pte Ltd.

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 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 2nd quarter and half year ended 30 June 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

JAMES SUNDRAM
CHIEF EXECUTIVE OFFICER

10 August 2016