

THIRD 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		
	3rd Quarter ended 30 Sep		Incr/(Decr) %	9 months ended 30 Sep		Incr/(Decr) %
	2016	2015		2016	2015	
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000		SGD'000	SGD'000	
Revenue	14,564	17,229	-15%	95,371	41,042	132%
Other income	60	216	-72%	254	231	10%
Total income	14,624	17,445	-16%	95,625	41,273	132%
Cost of services	(2,553)	(5,487)	-53%	(49,494)	(13,669)	262%
Amortisation of intangibles assets	(844)	(3,029)	-72%	(3,451)	(8,078)	-57%
Depreciation	(72)	(28)	157%	(135)	(64)	111%
Employee benefit expenses	(1,136)	(1,763)	-36%	(4,176)	(4,589)	-9%
Other expenses	(1,643)	(1,538)	7%	(2,873)	(3,600)	-20%
Profit/(Loss) before tax	8,376	5,600	50%	35,496	11,273	215%
Taxation	-	-	nm	-	-	nm
Profit/(Loss) after tax	8,376	5,600	50%	35,496	11,273	215%
Other comprehensive income :						
Exchange differences on translation	1,309	(1,217)	nm	(3,340)	120	nm
Total comprehensive income for the period	9,685	4,383	121%	32,156	11,393	182%
Profit attributable to:						
Equity holders of the Company	8,376	5,554	51%	35,496	11,177	218%
Non-controlling interests	-	46	nm	-	96	nm
	8,376	5,600	50%	35,496	11,273	215%
Total comprehensive income attributable to :						
Equity holders of the Company	9,685	4,337	123%	32,156	11,297	185%
Non-controlling interests	-	46	nm	-	96	nm
	9,685	4,383	nm	32,156	11,393	182%
EBITDA	9,292	8,657	7%	39,082	19,415	101%
EBIT	8,376	5,600	50%	35,496	11,273	215%

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

	Group			Group		
	3rd Quarter ended 30 Sep		Change in %	9 months ended 30 Sep		Change in %
	2016	2015		2016	2015	
	SGD'000	SGD'000		SGD'000	SGD'000	
Unrealised exchange (gain)/loss	630	774	-19%	123	1,482	-92%

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 Sep	31 Dec	Incr/(Decr)	30 Sep	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	332	290	14%	-	-	nm
Investments in subsidiaries	-	-	nm	313,021	325,001	-4%
Investment in associate	2,927	-	nm	2,927	-	nm
Intangible assets	17,213	11,953	44%	820	1,151	-29%
Trade and other receivables	1,371	1,421	-4%	-	-	nm
Assets available for sale	96,449	54,989	75%	-	-	nm
Total non-current assets	118,292	68,653	72%	316,768	326,152	-3%
Current assets						
Trade and other receivables	19,088	34,714	-45%	24,910	19,581	27%
Prepayments	131	231	-43%	26	132	-80%
Cash and cash equivalents	2,672	3,748	-29%	147	628	-77%
Total current assets	21,891	38,693	-43%	25,083	20,341	23%
Total assets	140,183	107,346	31%	341,851	346,493	-1%
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	6,387	9,609	-34%	33,602	45,546	-26%
Accumulated losses	18,687	(16,809)	-211%	(35,035)	(33,914)	3%
Total equity	136,374	96,154	42%	339,850	344,969	-1%
Current liabilities						
Trade and other payables	3,809	11,192	-66%	2,001	1,524	31%
Total current liabilities	3,809	11,192	-66%	2,001	1,524	31%
Total liabilities	3,809	11,192	-66%	2,001	1,524	31%
Total liabilities and equity	140,183	107,346	31%	341,851	346,493	-1%

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 September 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 Sep 2016	As at 31 Dec 2015	As at 30 Sep 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	
	3rd Quarter ended 30 Sep		9 months ended 30 Sep	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
	SGD'000	SGD'000	SGD'000	SGD'000
Cash flows from operating activities				
Profit before tax	8,376	5,600	35,496	11,273
Adjustments for:				
Amortisation of intangible assets	844	3,029	3,451	8,078
Non-cash revenue generated	(11,857)	(11,405)	(45,226)	(27,353)
Depreciation of plant and equipment	72	28	135	64
Share based compensation	73	435	118	1,084
Deferred revenue realised	-	(438)	-	(438)
Operating cash flows before working capital changes	(2,492)	(2,751)	(6,026)	(7,292)
Change in trade and other receivables	758	3,045	10,139	4,651
Change in prepayments	26	20	49	(38)
Change in trade and other payables	52	3,132	(7,004)	1,955
Cash used in operations	(1,656)	3,446	(2,842)	(724)
Interest received	-	-	-	-
Net Cash used in operating activities	(1,656)	3,446	(2,842)	(724)
Cash flows from investing activities				
Purchase of plant and equipment	(71)	(40)	(137)	(274)
Development costs incurred	(120)	(924)	(616)	(1,405)
Asset available for sale acquired	-	(4,417)	-	(4,417)
Net cash used in investing activities	(191)	(5,381)	(753)	(6,096)
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	2,970	-
Share issue expense	-	-	(585)	-
Net cash (used in)/generated from financing activities	-	-	2,385	-
Net change in cash and cash equivalents	(1,847)	(1,935)	(1,210)	(6,820)
Cash and cash equivalents at beginning of period	4,797	7,884	3,748	12,432
Net effect of exchange differences	(278)	543	134	880
Cash and cash equivalents at end of period	2,672	6,492	2,672	6,492

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	-	-	-	-	35,496	35,496	-	35,496
Exchange differences on translation of foreign operations	-	-	(3,340)	-	-	(3,340)	-	(3,340)
Total comprehensive income for the period	-	-	(3,340)	-	35,496	32,156	-	32,156
Employee share option scheme	-	-	-	118	-	118	-	118
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	-	118	-	8,064	-	8,064
Balance at 30 September 2016	86,267	25,033	4,788	1,599	18,687	136,374	-	136,374
Balance at 1 January 2015	79,855	22,532	2,864	82	(49,706)	55,627	646	56,273
Profit for the period	-	-	-	-	11,177	11,177	96	11,273
Exchange differences on translation of foreign operations	-	-	5,313	-	-	5,313	-	5,313
Total comprehensive income for the period	-	-	5,313	-	11,177	16,490	96	16,586
Employee share option scheme	-	-	-	1,084	-	1,084	-	1,084
Total transactions with owners of the parent	-	-	-	1,084	-	1,084	-	1,084
Balance at 30 September 2015	79,855	22,532	8,177	1,166	(38,529)	73,201	742	73,943

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	-	-	-	(1,121)	(1,121)
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	-	-	(15,533)	-	(15,533)
Balance at 30 September 2016	86,267	255,016	33,602	(35,035)	339,850
Balance at 1 January 2015	79,855	253,165	82	(29,011)	304,091
Loss for the period	-	-	-	(597)	(597)
Employee share option scheme	-	-	1,084	-	1,084
Exchange differences on translation of foreign operations	-	-	41,612	-	41,612
Balance at 30 September 2015	79,855	253,165	42,778	(29,608)	346,190

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 shares in 3Q2016.

No new options were granted and exercised in 3Q2016, 2,543,922 share options were cancelled in 3Q2016. Total number of Options outstanding as at 30 September 2016 is 18,443,293 which are exercisable into 18,443,293 ordinary shares in the Company.

The Company did not have any other outstanding convertibles or treasury shares as at 30 September 2016 and 30 September 2015.

The Company has issued 55 million warrants to GEM Global Yield Fund LLC SCS as consideration for a drawdown line of funding. The Exercise Price for the warrants is S\$0.167. Total number of warrants outstanding as at 30 September 2016 is 55 million which are exercisable into 55 million ordinary shares in the Company

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 Sep 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 September 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	
	3rd Quarter ended 30 Sep 2016	2015	9 months ended 30 Sep 2016	2015
Earning Per Share				
Undiluted EPS (in SGD cents)	1.23	0.88	5.23	1.77
Fully diluted EPS (in SGD cents)	1.20	0.85	5.09	1.71

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 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Net Asset Value per Share				
Net Asset value att. to shareholder in SGD '000	136,374	96,154	339,850	344,969
- Undiluted number of shares in '000	679,299	634,384	679,299	634,384
Undiluted NAV per share (in SGD cents)	20.08	15.16	50.03	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.*

3rd Quarter 2016 (3Q 2016) vs. 3rd Quarter 2015 (3Q 2015)

Income Statement

The Group's 3Q 2016 revenue was S\$14.6 million which was 15% lower than 3Q 2015's S\$17.2 million. The decrease was mainly due to lower e-commerce revenue. E-commerce revenue decreased by 52% from S\$5.1 million in 3Q 2015 to S\$2.4 million in 3Q 2016. Franchise sales registered S\$8.9 million in 3Q 2016, a decrease of 8.2% as compared to S\$9.7 million in 3Q 2015.

The Group's 9M 2016 revenue was S\$95.4 million, 133% higher than 9M 2015's S\$41.0 million. E-commerce contributed S\$49.5 million in 9M 2016 as compared to 9M 2015's S\$13.0 million. Franchise sales contributed S\$39.1 million in 9M 2016 as compared to 9M 2015's S\$23.4 million.

Other income increased from S\$231,000 in 9M 2015 to S\$254,000 in 9M 2016 mainly due to Government grant received.

Cost of services decreased from S\$5.5 million in 3Q 2015 to S\$2.6 million in 3Q 2016, due to lower payment transactions in e-commerce.

Amortisation of intangible assets decreased from S\$3.0 million in 3Q 2015 to S\$840,000 in 3Q 2016 due to advertisement rights that were fully amortised in 2015.

Decrease in employee-related costs from S\$1.8 million in 3Q 2015 to S\$1.1 million in 3Q 2016 was mainly due to decrease in staff numbers in China, Philippines and Singapore.

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

The Group registered a net profit of S\$8.4 million in 3Q 2016 as compared to S\$5.6 million in 3Q 2015.

For the nine months ended 30 September 2016, the Group's net profit increased by 214% to S\$35.5 million from S\$11.3 million in the corresponding period in 2015. The increase was mainly driven by franchise sales in Mexico, Hungary, Slovakia, Czech Republic, Thailand and Congo.

Balance Sheet

Non-current assets

The increase of SGD49.6 million in non-current assets was due to the increase in both assets available for sale and the intangible asset. The increase in assets available for sale arose from the shares in YuuZoo's franchisees that were received in consideration for entry into licence arrangement in Mexico, Hungary, Slovakia, Czech Republic, Thailand and Congo. 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 SGD16.8 million from SGD38.7 million as at 31 December 2015 to SGD21.9 million as at 30 September 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 September 2016 was SGD2.7 million, a decrease of SGD1.0 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 SGD7.4 million from SGD11.2 million as at 31 December 2015 to SGD3.8 million as at 30 September 2016 due to lesser payment transactions and faster settlement to merchants in e-commerce.

Cash flows

Net change in cash and cash-equivalents showed a negative cashflow of SGD1.8 million in 3Q2016 compared to a negative cashflow of SGD1.9 million in 3Q2015.

The profit before tax of SGD8.4 million in the current quarter (3Q 2015, SGD5.6 million) included SGD11.9 million in revenue received in the form of shares and advertising rights (3Q 2015, SGD11.4 million).

For the quarter and nine months ended 30 September 2016, the Group reported net operating cash outflows of SGD1.7 million and SGD2.8 million respectively, as cash used in operation.

The Group's cash and bank balances as at 30 September 2016 were S\$2.7 million, representing 58% decrease from FY2015's S\$6.5 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 has been declared (recommended) for the quarter ended 30 September 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)	38%	2.7	-13700%
Investment in growth opportunities	4.8	26%	(4.2)	23%	0.6	-2900%
General corporate expenses and working capital purposes	3.9	21%	(7.2)	39%	(3.3)	16700%
Total	18.4	100%	(18.4)	100%	(0.0)	100%

The Group has utilised the proceed from RTO.

Capital Commitment from GEM Investments America LLC (GEMIA)

	Opening	Use of	Closing
	Balance	proceeds	balance
	in SGD m	in SGD m	in SGD m
<i>Intended Use and expenses (in SGD million)</i>			
General corporate expenses and working capital purposes	2.97	(1.97)	1.00
Total	2.97	(1.97)	1.00

On 09 May 2016, The Group has issued an aggregate of 14 million drawdown shares at an issue price of SGD0.198 per share. The drawdown of SGD2,970,000 will be used for general corporate expenses and business development purposes.

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 3rd quarter and nine months ended 30 September 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

JAMES SUNDRAM
CHIEF EXECUTIVE OFFICER

11 November 2016