SGX ANNOUNCEMENT THURSDAY MAY 18TH 2017

In view of its audit for FY 2016,for which YuuZoo now has agreed with its auditors on all adjustments and numbers, and which audit report will be sent to shareholders as part of YuuZoo's Annual Report before the end of May 2017,YuuZoo Corporation Ltd ("YuuZoo" or "the Company") wishes to announce the following:

YuuZoo has consistently engaged leading accounting firms and relies on advice rendered by such professionals for its compliance with the requisite accounting and reporting rules relevant or pertaining to treatment of its disruptive new business models.

In connection with the audit of YuuZoo's FY 2016, the Company has, as earlier announced, decided to make changes to its accounting policies in order to make them more prudent, more conservative and more transparent. The reasons for the changes and their impact on the FY 2016 numbers, and as a consequence of the changes also on the FY 2015 numbers, are described below.

YUUZOO'S BUSINESS MODEL

YuuZoo grows internationally in the digital space the same way successful companies such as Starbucks and McDonalds have grown in the brick-and-mortar space, through a network of franchisees and partners. This means YuuZoo's business focus can be narrowed down to two core areas, namely (i) the development of new products and services, and (ii) the support of its network of franchisees and partners who are responsible for the localisation and marketing of YuuZoo's products and services in each overseas market.

Whilst YuuZoo in earlier years sold its franchise packages for cash, the Company in 2015 started to sell the franchise packages in return for shares in the companies that operate the franchise. This new model was based on the accounting advice rendered by a "Big 4" accounting firm.

The benefits of the model are obvious. If the franchisee is successful, the value of the shares received by YuuZoo grows, and YuuZoo can sell them at a significantly higher price than the cash it could have commanded upfront, thereby over time delivering significantly better returns for YuuZoo's shareholders.

The challenge of such business model lies in determining the value of the shares YuuZoo receives as payment for the franchise packages that it sells. While YuuZoo has used another Big 4 accounting firm and a leading US expert to value the shares, the basis for such valuations has been debated as the valuations have been based on discounted cash flow ("DCF") from expected future earnings.

CHANGE TO A SIGNIFICANTLY MORE CONSERVATIVE ACCOUNTING POLICY

While YuuZoo's earlier Big 4-advised accounting policy fulfilled all FRS accounting rules and standards, YuuZoo has, after discussions with various parties including the SGX-ST and its current auditors, decided to discontinue the "Big 4"-advised accounting policy of booking as revenue the value of the shares it receives as payment for the franchise packages it sells. The policy has, with effect from January 1, 2015, been replaced by charging a one-time franchise fee based not on valuation but on YuuZoo's cost of developing the franchise packages YuuZoo sells. Compared to the previous DCF-based valuationmethod, the new policy completely delinks the price of the franchise from expected future earnings.

In order to be as competitive as possible, YuuZoo has set the new cost-based franchise fee it charges at a level that is significantly lower than the cost of developing a complete similar package.As a consequence of this more conservative accounting policysome of the numbers booked have become lower than previously reported.

NO CHANGE TO YUUZOO'S POTENTIAL OF BRINGING RETURNS AND PAYING DIVIDENDS TO SHAREHOLDERS

YuuZoo wishes to underline that the adoption of the new conservative accounting policy only affects the numbers being booked, and has not changed the future earnings potential of selling the shares YuuZoo owns or receives, nor the potential of delivering as dividends significant returns to YuuZoo's shareholders by selling those shares at the right time.

As YuuZoo announced, when the Big 4-advised accounting policy first was introduced, its business model is focused on delivering maximum returns to shareholders not only through an appreciation of the share price of the Company, but also by paying out as dividends the proceeds the Company expects to receive when it starts to sell the shares in the companies it has created, built and developed.

Under YuuZoo's business model, shareholders of YuuZoo do not just own shares in a social e-commerce, payments and mobile games company in Singapore, they hold shares in a large and growing number of similar companies around the world, all of which use YuuZoo's patented or patent-pending technologies. Such companies today operate in e.g. China, India, Nigeria, the UK, Poland, South Africa, Hungary, Romania etc.

While YuuZoo believes that many of its franchisees, its joint ventures and its subsidiaries will be successful, it cannot guarantee every franchise, joint venture or subsidiary will succeed. Due to the fact that all franchisees, joint ventures and subsidiaries operate on YuuZoo's patented or patent-pending technology, the risks normally associated with investments in start-ups and their ability to move from an idea to an operating company are however significantly reduced, thereby increasing the likelihood of many of the companies succeeding.

AFTER CHANGES FY 2016 REMAIN PROFITABLE

In addition to adopting a conservative accounting policy on the sale of its franchise packages, YuuZoo has also decided to take an equally conservative and prudent approach to receivables and assets carried on the Company's balance sheet, by writing down or writing off all those items the Company feels in any way may be subject to uncertainty as comes to recoverability.

Despite the significantly more conservative accounting policies, including major write-downs and write-offs, YuuZoo remains profitable in 2016, with preliminary revenue numbers in line with or exceeding the unaudited numbers announced in February 2017, and a preliminary net profit of around 16.3 million SGD. For 2015, the new accounting policies show preliminary revenue numbers that are slightly lower than the numbers announced in 2016, and a preliminary loss of around 2.9 million SGD.

The recently announced Q1/2017 results, where the net profit margin was over 50%, fully follows the new accounting policy.

The AGM of YuuZoo Corporation is expected to be held before June 15th 2017.