



**YUUZOO CORPORATION LIMITED**  
(Incorporated in Bermuda)  
(Company Registration Number: 36658)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED  
REGARDING YUUZOO'S FY2016 ANNUAL REPORT AND APPENDIX PUBLISHED BY THE  
COMPANY ON 21 JUNE 2017**

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In response to the following queries from the Singapore Exchange Securities Trading Limited, the Company provides the information set out below:

Query 1a: **IPT Mandate**

In the Company's FY2016 annual report (page 25), the Company disclosed that there were no transactions with interested persons during 2016. We also note from the Company's announcement of quarterly and full year results announcement that the Company had disclosed that there were no interested person transactions entered into during the relevant reporting period. This is inconsistent with the disclosure made under Note 21 (page 85) of the FY2016 annual report, where the Company stated that it had entered into significant related party transactions during 2016 with related parties who are connected to a director of the Company.

Response  
to 1a:

YuuZoo has a service agreement with Sandbox Global Co Ltd, a company in which Mobile FutureWorks Inc, a company which is a controlling shareholder of YuuZoo and in which Thomas Zilliacus has a controlling interest. The agreement between Sandbox and YuuZoo has been in place since before YuuZoo was listed. Under the service agreement, YuuZoo has outsourced to Sandbox services and development work related to mobile games. For the work done, YuuZoo pays Sandbox a fixed fee of USD 15,000 per month. YuuZoo further has placed its own Bangkok-based employees in the office of Sandbox, and pays for that an agreed portion of the general office expenses. The aggregate amount of these payments for FY 2016 is disclosed in the Annual Report, on page 85 under note 21. YuuZoo did not make separate quarterly announcements on each payment, as the payments for each quarter amounts falls under the SGD 100,000 threshold, and as there in 2016 was no new agreement signed between the parties.

In 2015, YuuZoo signed an agreement with Circle of Champions, a company in which Mobile FutureWorks Inc is a controlling shareholder. This was announced on September 9<sup>th</sup> 2015. In February 2017, a valuation of the benefits to YuuZoo of the agreement with Circle of Champions was conducted. The valuation determined that YuuZoo gained SGD 16,960,000 from the contract. This was announced in the Annual Report on page 85 under Note 21. There was no valuation done in 2016, nor was any agreement signed, nor were any payments made.



	Name of interested person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)  (S\$'000)	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)  (S\$'000)
First quarter ended 31 March 2016	Sandbox Global Co Ltd	N.A.	67
Second quarter ended 30 June 2016	Sandbox Global Co Ltd	N.A.	65
Third quarter ended 30 September 2016	Sandbox Global Co Ltd	N.A.	66
Full year 2016	Sandbox Global Co Ltd	N.A.	267

Query 1b: In the Appendix to the FY2016 Annual Report, it is disclosed under section 2.8 that certain review procedures will be undertaken by the Head of Internal Audit and the internal audit reports will be submitted to the Audit Committee on a periodic basis. This report details all the YuuZoo Mandated Transactions entered into by the Group and the basis for such transactions, and the internal auditors will check that the relevant approvals have been obtained and the guidelines and review procedures for the YuuZoo Mandated Transactions have been adhered to. Under section 2.9 of the Appendix, the Audit Committee has confirmed that the methods and review procedures have not changed since the special general meeting on 27 May 2016, and that the guidelines and review procedures are sufficient to ensure that the IPTs will be conducted on normal commercial terms and would not be prejudicial to the interests of the Company and its minority shareholders. Please clarify in the absence of an internal audit function, who carried out the review and reporting procedures stated above since 27 May 2016. Please provide an update on the status of the Company's appointment of internal auditors.

Response to 1b: In the absence of an internal audit function, the review and reporting procedures were carried out by the Senior Legal Counsel, the CFO and when possible the CEO of the Company, reporting on their findings to the Audit Committee. The Company's is reviewing internal auditor candidates and expects to make an announcement within 2 weeks.

Query 2: **First Quarter 2017 financial results**  
The Company announced its 1Q2017 results on 15 May 2017. These results were not prepared on the same basis in relation to accounting for franchise sales as the FY2016 audited financial statements which were finalized and announced on 21 June 2017, and certain impairment provisions made in the FY2016 audited financial



statements may require adjustments to be made to the 1Q2017 results. Please disclose when the Company will be announcing the re-stated financial statements for 1Q2017.

Response

to 2:

The 1Q2017 results were prepared on the same basis in relation to accounting for franchise sales as the FY2016, i.e. on the cost basis that YuuZoo has decided to use. The audited FY 2016 results were given to the Company after the announcement of the 1Q2017 results. If certain impairment provisions made in the FY2016 audited financial statements will require adjustments to be made to the 1Q2017 results, the re-statement will be announced together with the 2Q2017 results.

By Order of the Board

Mohandas  
Chief Operating Officer  
28 July 2017