



PRESS RELEASE

2Q/1H 2017:

YuuZoo Delivers Resilient Q2 Results, Underpinned By Strong Eastern European Franchise Sales

- 1H17 net profit SGD 15.9 million, 342% increase from 1H16
- 2Q/1H EBITDA Margin of 80% at SGD 14.1 million and 75% at SGD 27.5 million respectively
- 2Q 2017 revenue was SGD 17.7 million which was 17% lower than 2Q 2016's SGD 21.3 million. The Company's 1H 2017 revenue was SGD 36.8 million, 38% lower than 1H 2016's SGD 59.6 million.

Summary of financial results for three months ending 30 June:

	2017 SGD (,000)	In percent (%)	2016 SGD (,000)	In percent (%)	Variance y-o-y (%)
Revenue	17,679	100%	21,328	100%	-17%
EBITDA	14,081	80%	1,506	7%	835%
EBIT	8,418	48%	(1,417)	-7%	-

Summary of financial results for six months ending 30 June:

	2017 SGD (,000)	In percent (%)	2016 SGD (,000)	In percent (%)	Variance y-o-y (%)
Revenue	36,837	100%	59,602	100%	-38%
EBITDA	27,455	75%	9,695	16%	183%
EBIT	15,887	43%	3,592	6%	342%

Singapore, 15 August 2017: Singapore-listed YuuZoo Corporation Limited (“YuuZoo” or “the Company”) (SGX: AFC) in Q2 posted a net profit of SGD 8.4 million, an increase of SGD 9.8 million from corresponding period in 2016 which had a net loss of SGD 1.4 million. For the half year ended in 30 June 2017, the Company's net profit increased by 342% to SGD 15.9 million from SGD 3.6 million in the corresponding period in 2016. The increase was mainly driven by franchise sales in Hungary, Slovakia and Czech Republic.

The Company's EBITDA margin is 80% at SGD 14 million and 75% at SGD 27.5 million for the 2Q and 1H of 2017 respectively.

The Company's 2Q 2017 revenue was SGD 17.7 million, 17% lower than 2Q 2016's SGD 21.3 million. The decrease was mainly due to change in adoption of a more prudent means of revenue recognition as well as lower payment revenue. The Company's 1H 2017 revenue was SGD 36.8 million, 38% lower than 1H 2016's SGD 59.6 million. The decrease in revenue is mainly due to the change in revenue recognition policy of the Group and lower payment revenue.



Accounting Policy Changes

In 2016, YuuZoo's accounting policy on the sale of franchises was based on the advice of a "Big Four" accounting firm, which fulfilled all accounting requirements under FRS. YuuZoo has decided, after discussions with various parties including SGX-ST and its auditors, to discontinue the "Big Four"-advised accounting policy of booking as revenue the value of the shares it receives as payment for the franchises it sells. Booking the full value of the shares as revenue has been replaced by booking as revenue 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 valuation method, the new policy completely delinks the price of the franchise from expected future earnings.

Operational Highlights

In May 2017, YuuZoo announced that it has signed a framework agreement with The Municipal Government of Harbin in China for a massive new project, including the setting up and running of the first eSports College and eSports Development Park in Harbin, China. Under the new framework agreement, the Municipal Government of Harbin will provide the venue and the land for the college and development park. The Municipal Government will also provide finance, taxation, investment, publicity and other services and concessions required for the college and the park. YuuZoo will be responsible for the introduction of international eSports Colleges as partners to the project. YuuZoo will also take charge of the planning and design of the college and park, and will together with the Municipal Government seek investors and developers for the projects.

Outlook for the current financial year ending 31 December 2017

Mohandas, COO of YuuZoo, said: "YuuZoo's significantly conservative and prudent accounting policy was decided in the best interest of YuuZoo's shareholders. Under this new policy, YuuZoo books significantly lower revenue and profit for each franchise package sold. YuuZoo's 2Q/1H stellar growth and performance despite lower revenue and profit recognition under the new accounting policy demonstrates the potential of YuuZoo and how we are positioned to capitalise on the opportunities in the market.

Growth is expected to be continuously strong in all key areas that YuuZoo operates in; tribal social networking, e-commerce, online and mobile payments, mobile games and streaming video services.

YuuZoo believes its unique concept of growing internationally through a network of franchisees and partners, as well as its focus on developing unique, new business models that can be patented, will continue to give the Company a competitive edge over the next 12 months."

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About YuuZoo Corporation Ltd

Listed on the Singapore Stock Exchange mainboard (SGX: AFC), YuuZoo has built a mobile and online technology platform where key parts are patented. On the platform several in-house developed products offer tribal social networking, e-commerce, gaming, streaming video and payments to hundreds of millions of consumers across all continents in a unique, and for each market fully localised manner.

In 2016, its global revenues for the first time topped 100 million SGD, with a net profit margin of more than 15%.

With franchisees and partners covering countries with more than 4 billion consumers, YuuZoo reaches a huge global audience through smartphones, computers and TV sets.

To see the YuuZoo platform and learn more about the company, log in to: <http://www.yuuzoo.com>.

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