



YUUZOO CORPORATION LIMITED
(Company Registration No: 36658)
(Incorporated in Bermuda)
(the “Company” or “YuuZoo”)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Company refers to the announcements released on 24 and 27 August 2017, in relation to the incorporation of YuuLog Europe, a joint venture with the management of Cinram France and 3 September 2017 in relation to the acquisition of certain assets of Cinram France. In response to the following queries from the Singapore Exchange Securities Trading Limited, the Company provides the information set out below:

Query 1: **Consideration for Yuulog Europe**

The Company disclosed that YuuLog Europe has been incorporated with a paid-up capital of EUR500,000 and Yuuzoo owns 51% of the YuuLog Europe while the management of Cinram France owns 49%.

- (a) How much will Yuuzoo be contributing in terms of equity and shareholders’ loan (if any) to YuuLog Europe?
- (b) How much will the management of Cinram France be contributing?
- (c) Please provide the name and background of the other key shareholders of YuuLog Europe.

Response to 1(a): The shareholder agreement is still being discussed. No shareholder loan has been granted.

Response To 1(b): See response to 1 (a).

Response To 1(c): BTV&CO is the only other shareholder. This company was formed by the previous management team of Cinram Logistics France.

Query 2: **Information On Cinram France**

We note from Cinram’s website that Cinram UK Limited is under administration and the joint administrators are seeking to sell Cinram UK Limited’s business as a going concern. YuuZoo has described Cinram France as the “market leader in entertainment sector logistics and distribution in France” and that Cinram France “is serving a big network of customers with thousands of shipments and parcels delivered daily” and its “current client list includes leading global entertainment and eCommerce brands”

- (a) Is Cinram France part of Cinram UK Limited which is under administration?
- (b) If so, is Cinram France still an active operating company?
- (c) If Cinram France is still in operation, what were the circumstances that led to its entire management team leaving Cinram France?
- (d) Please explain the basis for YuuZoo’s statement that “YuuLog Europe will offer Cinram’s existing client base, which includes many of the world’s leading entertainment companies, complete tailored eCommerce services



covering the entire value-chain from marketing and sales to payments and delivery". Please also clarify whether YuuLog Europe has signed any contract with any of Cinram's clients.

Response to 2(a): No. Cinram Logistics France SARL is a French legal entity and has nothing to do with Cinram Logistics UK Limited, which is another company incorporated in the United Kingdom.

Response to 2(b): No.

Response To 2(c): N.A., as the Company is no longer in operation.

Response To 2(d): Logistics plays a key role in ecommerce. YuuZoo sees the acquisition of the assets of Cinram France, together with its current management, as an opportunity to enter the European market with a complete ecommerce and logistics solution. YuuZoo has the capability and capacity to offer end-to-end ecommerce solutions covering marketing, sales, payments and logistics. For merchants selling through ecommerce it is both costly and time-consuming to break up their commerce chain into many small parts and work with separate service providers for each part.

YuuZoo has a complete ecommerce platform. Adding a complete logistics solution enables YuuZoo to offer both Cinram's current clients, as well as new clients brought in by YuuZoo, a complete A to Z ecommerce service with marketing, sales, payments, delivery and collection.

With no current operations in Europe but with franchisees getting started in several European markets, YuuZoo through the acquisition will get a strong European base for its operations there.

YuuLog Europe took over the assets only on 1st September 2017. As such, YuuLog Europe has not yet signed any new ecommerce contracts with Cinram's clients.

Query 3: ***Is the Company paying any additional sum on top of the paid-up capital for the incorporation of YuuLog Europe to acquire the business and assets of Cinram?***

Response: No.

Query 4: ***Please provide the aggregate consideration amount payable for the acquisition.***

Response: Euro 380,000 is the total amount paid for the assets and business acquired from Cinram France Logistics. The sum is paid from the share capital of YuuLog Europe, which YuuZoo owns 51%.

Query 5: ***How was the amount of consideration arrived at and what were the factors taken into consideration?***

Response: The Company and BTV & Co considered the value of the assets and the business, the value of the client base, the projections and the strategic value to YuuZoo, and made an offer to the court that was accepted.



Query 6: ***What is the basis for YuuZoo to expect \$30m of revenue for 2017? Given that the Company is left with 4 months to the end of FY2017, will the entire amount of \$30m be booked under YuuLog's revenue for 2017?***

Response: The management of Cinram Logistics France provided the revenue projections for full year 2017 of Euro 18.8 million, i.e. SG\$30.3 million which were reviewed and discussed with the Company's management taking into consideration past projections and performance. The management projections have over earlier years been very accurate, and when there have been a variation, the projections have usually been lower than the actual numbers. YuuZoo will book the revenue from the date it has acquired the business.

The Company will provide further updates in the event there are any changes to the assessment of the revenue recognition.

BY ORDER OF THE BOARD

Mohandas
Chief Operating Officer
25 September 2017