



YUUZOO CORPORATION LIMITED
(Company Registration No.: 36658)
(Incorporated in Bermuda)

FINDINGS FROM THE EXECUTIVE SUMMARY OF THE EY INTERIM REPORT

Further to the announcement released to Singapore Exchange Securities Trading Limited today in regard to the announcement relating to YuuZoo's announcement on 10th April 2018 and the SGX-ST's Notice of Compliance dated 2nd April 2018, YuuZoo Corporation Limited (the "**Company**") wishes to release 3 out of the 4 findings from the Executive Summary of the EY Interim Report as set out below:-

1.7 Initial findings – The New York Lawsuit

- 1.7.1 EY was asked to address the following matter: "*Review whether YuuZoo did inform SGX about the lawsuit in New York, and whether SGX did tell the Company to make a public announcement*"; in relation to the above matter, the New York lawsuit refers to the lawsuit filed in the United States Court Southern District of New York, USA, on 22 July 2015 by Hecklerco LLC, James Heckler and Andrew Heckler.
- 1.7.2 In relation to the above matter, EY was instructed that the following is out of scope:
- Assessing the nature of the lawsuit and actions taken by YuuZoo in relation to the lawsuit;
 - YuuZoo's rationale for disclosing/ not disclosing the information to external parties; and
 - Current status of the lawsuit or settlement, if any, that was reached.
- 1.7.3 Based on the work performed and information provided, we outline the broad series of events and our initial findings on this matter.
Diagram 1.4: Broad series of events in relation to the New York lawsuit
- 1.7.4 YuuZoo first responded to SGX about the New York Lawsuit on 6 January 2017 after SGX had enquired about the same in an email dated 30 December 2016.
- 1.7.5 SGX did not ask YuuZoo to make a public announcement, and instead asked YuuZoo to determine if the New York Lawsuit warranted an announcement on SGXNet.

1.8 Initial findings – Receivables from IAH

- 1.8.1 EY was asked to address the following matter: "*Review whether YuuZoo has taken action to recover the S\$6.5m it is owed by Infocomm Asia Holdings ("IAH")*".
- 1.8.2 We were informed that the above S\$6.5m refers to an amount arising from a prepayment agreement with IAH entered into on 5 November 2014.
- 1.8.3 In relation to the above matter, EY was instructed that the following is out of scope:
- Assessment of the initial transaction that led to the above stated receivables;
 - Any other business transactions and/or agreements with IAH, if any, which were unrelated to the prepayment agreement with IAH; and
 - Appropriateness of the actions, if any, taken by YuuZoo in relation to the above mentioned receivables.

1.8.4 Based on the work performed and information provided, we outline the broad series of events and our initial findings on this matter.

Diagram 1.5: Broad series of events in relation to receivables from IAH

1.8.5 For the period November 2014 to June 2017, YuuZoo had taken certain actions in respect of the receivables from IAH, including sending a writ of summons, signing a letter of intent and deed of settlement, obtaining convertible promissory notes, sending a letter of notice for payments and sending a letter of claims. However, it is noted that the most recent settlement agreement with IAH in April 2017 is in draft and has not signed by both parties.

1.8.6 YuuZoo has collected 22% (US\$ 1.007 million (S\$ 1.459 million)) of the receivables outstanding as of November 2014, and as informed by YuuZoo on 8 December 2017, negotiations were ongoing for the remaining 78% (US\$ 3.99 million (S\$ 5.11 million)).

1.9 Initial findings – Macquarie Capital as compliance advisor

1.9.1 EY was asked to address the following matter: *“Review why Macquarie Capital was appointed compliance adviser at the listing of YuuZoo, and when and why YuuZoo asked SGX for the right to replace them and when YuuZoo was granted the right to replace them”*.

1.9.2 In relation to the above matter, EY was instructed by YuuZoo that the following is out of scope: Work undertaken, if any, by Macquarie Capital for YuuZoo and payments made to them; and Assessing underlying evidence to validate the rationale/reasons provided by YuuZoo to SGX for the replacement of Macquarie Capital.

1.9.3 Based on the work performed and documentation provided, we outline the broad series of events and our initial findings on this matter.

Diagram 1.6: Broad series of events in relation to Macquarie as compliance advisor

1.9.4 We have noted that the appointment of Macquarie as compliance adviser was a condition imposed by SGX⁶⁶. YuuZoo asked SGX for the right to replace Macquarie, first in December 2014 and again in March 2015.

1.9.5 The reasons⁶⁷ provided by YuuZoo for replacing Macquarie were “inexperience and charges in excess of market rates”. As stated in Section 1.9.2, independent assessment of these reasons was out of scope of our work.

1.9.6 In October 2015, SGX approved the appointment of RHT Capital Private Limited as the compliance advisors for YuuZoo in place of Macquarie.

BY ORDER OF THE BOARD

Mohandas
Chief Executive Officer and Executive Director

Date: 14 May 2018