



**YUUZOO CORPORATION LIMITED**

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
PERIOD ENDED 31 MARCH 2018**



**YUUZOO CORPORATION LIMITED**

(Incorporated in Bermuda)

(Company registration number: 36658)

**1(a)(i) An Income Statement And Statement Of Comprehensive Income Or A Statement Of Comprehensive Income, For The Group, Together With A Comparative Statement For The Corresponding Period Of The Immediately Preceding Financial Year.**

	<b>Group</b>		Incr/(Decr)
	<b>1st quarter ended 31 March</b>		
	2018 (Unaudited) SGD'000	2017 (Unaudited) SGD'000	
Revenue	7,983	8,227	-3%
Other income	35	17	nm
<b>Total income</b>	<b>8,018</b>	<b>8,244</b>	
Cost of services	(2,919)	(4,470)	-35%
Amortisation of intangible assets	(4,243)	(1,995)	113%
Depreciation	(29)	(37)	-22%
Impairment of investment in associate	(25)	-	nm
Employee Benefits expenses	(3,568)	(248)	1339%
Other expenses	(2,274)	(1,004)	126%
<b>(Loss) / Profit before income tax</b>	<b>(5,040)</b>	<b>490</b>	
Taxation	-	-	100%
<b>(Loss) / Profit after income tax</b>	<b>(5,040)</b>	<b>490</b>	
Other comprehensive income:			
Exchange differences on translation	878	(4,742)	-119%
<b>Total comprehensive loss for the period:</b>	<b>(4,162)</b>	<b>(4,252)</b>	
<b>(Loss) / Profit attributable to:</b>			
Equity holders of the Company	(5,155)	490	-1152%
Non controlling interests	115	-	nm
	<b>(5,040)</b>	<b>490</b>	-1129%
<b>Total comprehensive income / (expenses) attributable to:</b>			
Equity holders of the Company	(4,447)	(4,252)	5%
Non controlling interests	285	-	nm
	<b>(4,162)</b>	<b>(4,252)</b>	-2%
EBITDA	(768)	2,522	-130%
EBIT	(5,040)	490	-1129%



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**1(a)(ii) Profit before income tax is arrived at after charging/(crediting) the following:**

	<b>1st quarter ended 31 March</b>		
	<b>2018</b>	<b>2017</b>	<b>Incr</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>SGD'000</b>	<b>SGD'000</b>	
Unrealised exchange loss	916	478	92%



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**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement of the immediately preceding financial year.**

	<b>Group</b>			<b>Company</b>		
	As at	As at	Incr/(Decr)	As at	As at	Incr/(Decr)
	31 Mar 2018 (Unaudited) SGD'000	31 Dec 2017 (Unaudited) SGD'000		31 Mar 2018 (Unaudited) SGD'000	31 Dec 2017 (Unaudited) SGD'000	
<b>Non-current assets</b>						
Property, plant and equipments	10,299	10,164	1%	-	-	nm
Investment in subsidiaries	-	-	nm	85,464	85,464	0%
Investment in associates	187	212	nm	-	-	nm
Intangible assets	22,574	26,796	-16%	326	326	0%
<b>Total non-current assets</b>	<b>33,060</b>	<b>37,172</b>	<b>-11%</b>	<b>85,790</b>	<b>85,790</b>	<b>0%</b>
<b>Current assets</b>						
Trade and other receivables	8,717	5,903	48%	32,380	32,380	0%
Prepayments	150	166	nm	60	60	nm
Cash and cash equivalents	2,101	3,243	-35%	-	-	nm
<b>Total current assets</b>	<b>10,968</b>	<b>9,312</b>	<b>18%</b>	<b>32,440</b>	<b>32,440</b>	<b>0%</b>
<b>Total assets</b>	<b>44,028</b>	<b>46,484</b>		<b>118,230</b>	<b>118,230</b>	
<b>Equity</b>						
Share capital	77,445	77,445	0%	100,665	100,665	0%
Share premium	47,599	47,599	0%	254,362	254,362	0%
Other reserves	9,740	8,862	10%	44,939	44,934	0%
Accumulated losses	(104,146)	(98,991)	5%	(289,661)	(289,530)	0%
<b>Total equity attributable to owner of the Company</b>	<b>30,638</b>	<b>34,915</b>	<b>-12%</b>	<b>110,305</b>	<b>110,431</b>	<b>0%</b>
Non-controlling interest	286	167	nm	-	-	nm
<b>Total equity</b>	<b>30,924</b>	<b>35,082</b>		<b>110,305</b>	<b>110,431</b>	
<b>Current liabilities</b>						
Trade and other payables	12,538	10,853	16%	7,925	7,799	2%
Deferred revenue	-	-	nm	-	-	nm
Income tax payable	566	549	nm	-	-	nm
<b>Total current liabilities</b>	<b>13,104</b>	<b>11,402</b>	<b>15%</b>	<b>7,925</b>	<b>7,799</b>	<b>2%</b>
<b>Total liabilities</b>	<b>13,104</b>	<b>11,402</b>	<b>15%</b>	<b>7,925</b>	<b>7,799</b>	
<b>Total liabilities and equity</b>	<b>44,028</b>	<b>46,484</b>		<b>118,230</b>	<b>118,230</b>	



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**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

The Group does not have any outstanding borrowings as at 31 March 2018 and 31 December 2017.

	Amount payable in one year or		Amount payable after one year	
	<b>Group</b>		<b>Group</b>	
	As at	As at	As at	As at
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SGD'000	SGD'000	SGD'000	SGD'000
<b>Loans and borrowings</b>				
Secured	-	-	-	-
Unsecured	-	-	-	-

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>	
	<b>1st quarter ended 31 March</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>SGD'000</b>	<b>SGD'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	(5,040)	490
Adjustment for:		
Depreciation of property plant and equipment	29	37
Amortisation of intangible assets	4,243	1,995
Impairment loss on associate	25	-
Non-cash revenue generated	-	(3,701)
Share-based compensation	-	(147)
<b>Operating cash flows before working capital changes</b>	<b>(743)</b>	<b>(1,326)</b>
Working capital changes:		
Change in trade and other receivables	(2,814)	(7,588)
Change in prepayments	16	(326)
Change in trade and other payables	1,685	8,586
<b>Cash generated used in operating activities</b>	<b>(1,856)</b>	<b>(654)</b>
Income tax paid	-	-
<b>Net cash generated used in operating activities</b>	<b>(1,856)</b>	<b>(654)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(162)	-
<b>Net cash generated used in investing activities</b>	<b>(162)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of shares	-	7,051
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>7,051</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,018)</b>	<b>6,397</b>
Cash and cash equivalents at beginning of period	3,243	3,813
<b>Net effect of exchange differences</b>	<b>876</b>	<b>(396)</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,101</b>	<b>9,814</b>



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1(d)(i) A statement (for the Issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Group**

	Share capital	Share premium	Foreign currency translation account	Share option reserve	Accumulated Losses	Total equity attributable to the owner of the	Non-controlling interest	Total equity
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Balance at 1 January 2018	77,445	47,599	7,492	1,370	(98,991)	34,915	167	35,082
Loss for the financial period	-	-	-	-	(5,155)	(5,155)	115	(5,040)
Exchange differences on translation of foreign operations	-	-	878	-	-	878	4	882
<b>Total comprehensive income for the financial period</b>	-	-	<b>878</b>	-	<b>(5,155)</b>	<b>(4,277)</b>	<b>119</b>	<b>(4,158)</b>
As at 31 March 2018	77,445	47,599	8,370	1,370	(104,146)	30,638	286	30,924
Balance at 1 January 2017	68,688	48,653	10,206	1,517	(40,495)	88,569	-	88,569
Profit for the financial period	-	-	-	-	490	490	-	490
Exchange differences on translation of foreign operations	-	-	(4,742)	-	-	(4,742)	-	(4,742)
<b>Total comprehensive income for the financial period</b>	-	-	<b>(4,742)</b>	-	<b>490</b>	<b>(4,252)</b>	-	<b>(4,252)</b>
<b>Contributions by owners of the</b>								
Employee share option scheme	-	-	-	(147)	-	(147)	-	(147)
Issurance of the shares during the period	7,538	(487)	-	-	-	7,051	-	7,051
<b>Total transactions with owners of the parent</b>	<b>7,538</b>	<b>(487)</b>	-	<b>(147)</b>	-	<b>6,904</b>	-	<b>6,904</b>
As at 31 March 2017	76,226	48,166	5,464	1,370	(40,005)	91,221	-	91,221



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**Company**

	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserve</b>	<b>Accumulated Losses</b>	<b>Total equity</b>
	<b>SGD'000</b>	<b>SGD'000</b>	<b>SGD'000</b>	<b>SGD'000</b>	<b>SGD'000</b>
Balance at 1 January 2018	100,665	254,362	44,934	(289,530)	110,431
Loss for the financial period	-	-	-	(131)	(131)
Employee share option scheme	-	-	-	-	-
Issurance of the shares during the period	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	5	-	5
As at 31 March 2018	<u>100,665</u>	<u>254,362</u>	<u>44,939</u>	<u>(289,661)</u>	<u>110,305</u>
Balance at 1 January 2017	91,908	255,416	54,670	(285,211)	116,783
Loss for the financial year	-	-	-	843	843
Employee share option scheme	-	-	(124)	-	(124)
Issurance of the shares during the year	7,538	(487)	-	-	7,051
Exchange differences on translation of foreign operations	-	-	(13,087)	-	(13,087)
As at 31 March 2017	<u>99,446</u>	<u>254,929</u>	<u>41,459</u>	<u>(284,368)</u>	<u>111,466</u>





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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Shares

**Share Capital Account**

	<u>Ordinary shares</u>
As at 1 January 2018	780,250,755
Issuance of shares <sup>(1)</sup>	-
Balance as at 31 March 2018	<u>780,250,755</u>

Please refer to our announcements made to SGX for further details.

As at 31 March 2018, the number of ordinary shares of the Company was 780,250,755 (31 March 2017: 772,750,755).

No new options were granted and no new options were exercised in 1Q2018. 250,000 share options were cancelled in 1Q2018. Total number of Options outstanding as at 31 March 2018 is 17,465,211 which are exercisable into 17,465,211 ordinary shares in the Company.

The Company did not have any other outstanding convertibles or treasury shares as at 31 March 2018 and 31 March 2017.

Total number of warrants outstanding as at 31 March 2018 is 55 million (31 March 2017: 55 million) which are exercisable into 55 million (31 March 2017: 55 million) ordinary shares in the Company.

**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<b>As at</b>	
	<b><u>31-Mar-18</u></b>	<b><u>31-Dec-17</u></b>
Total number of outstanding shares	780,250,755	780,250,755
Treasury shares	-	-
<b>Total number of shares ex. Treasury shares</b>	<b><u>780,250,755</u></b>	<b><u>780,250,755</u></b>

**1 (d)(iv) A statement showing all sales, transfers, disposals, cancellations and/or use of treasure shares at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements have not been audited or reviewed by the Company's auditors.



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3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods as in the most recently audited annual financial statements have been applied.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised FRSs and interpretation of FRSs applicable for the financial period beginning 1 January 2018 did not result in a significant change to the Group's accounting policies and is assessed to have no material impact to the results of the Group and of the Company for the quarter ended 31 March 2018.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1st quarter ended 31 March	
	2018	2017
	(Unaudited)	(Unaudited)
<b>Earning Per Share</b>		
Undiluted EPS (in SGD cents)	-0.59	0.06
Fully diluted EPS (in SGD cents)	-0.65	0.06

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

*(a) current financial period reported on; and  
(b) immediately preceding financial year*

	Group		Company	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
<b>Net Assets Value per share</b>				
Net Assets value att. To shareholder in SGD'000	30,924	35,082	110,305	110,431
-Undiluted number of share in '000	780,251	780,251	780,251	780,251
<b>Undiluted NAV per share (in SGD cents)</b>	<b>3.96</b>	<b>4.50</b>	<b>14.14</b>	<b>14.15</b>



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8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.**

***(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and***

***(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.***

***1<sup>st</sup> Quarter 2018 (1Q 2018) vs. 1<sup>st</sup> Quarter 2017 (1Q 2016)***

***Notes to the statement of comprehensive income***

***Revenue:***

The slight decrease in revenue is due to the decline of payment revenue, e-commerce and celebrity branded network sales. The decrease is mitigated by logistic service revenue recognized since 4Q 2017 after the acquisition of YuuLogistic France.

***Cost of services:***

The cost of services includes the commissions on ecommerce, revenue share and direct logistic cost, payments transactions and logistic services. The decline in 1Q 2018 is in line with the corresponding decrease in activities from e-commerce and payments revenue. The decrease is mitigated by increase in logistic service cost since 4Q 2017 after the acquisition of YuuLogistic France.

***Amortisation of intangible assets:***

Amortisation of intangible assets increase due to higher celebrity branded network assets capitalised during the period.

***Employee benefit expenses:***

The steep increase in higher employee-related cost in 1Q 2018 is due to the inclusion of YuuLogistic France in YuuZoo Group. YuuLogistic France has more than 200 employees.

***Other expenses:***

The increase is due to additional advertising, administrative, legal and professional fees incurred during the period. The increase is also contributed by unfavourable forex movement during the period.

***Finance expenses:***

The Group is debt-free and thus has no finance expenses.

***EBITDA:***

The group has a negative EBITDA in 1Q 2018 which is mainly contributed by unfavourable forex movement during the period.



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***Notes to statements of financial position***

***Group***

**(i) Non-Current assets**

Property, plant and equipment has maintained fairly consistent since 31 December 2017.

Intangible assets: The decrease in intangible assets was mainly due to amortisation of assets in 1Q 2018.

**(ii) Current assets**

*Trade and other receivables:* The increased in trade and other receivables was mainly contributed by inclusion of YuuLogistic France in the Group.

*Cash and cash equivalents:* The Group's cash and cash equivalents was mainly due to cash used in operations during the year.

**(iii) Current liabilities**

The Group's liabilities increased due to the inclusion of YuuLogistic France in the Group.

**(iv) Cash Flow**

1Q 2018 and 1Q 2017 records a similar operating cash flows before working capital changes. However, working capital changes from trade and other receivables/payables resulted to higher cash used. This was due to the inclusion of YuuLogistic France into the Group.

The Group did not issue any shares in 1Q 2018. On the contrary, in 1Q 2017, the company has inflow of SGD7 million proceeds from issuance of shares.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.



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**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Industry growth is expected to continue to be strong in all key areas YuuZoo operates in. YuuZoo operates in, social commerce, online and mobile payments sector, online games and mobile games sectors.

Social Commerce is set to see good growth in 2018, according to Global WebIndex. As of 2017, online users now spend around 2hours 15minutes per day on social media and 28% of internet users use social media to research and find products to buy. The mobile payments sector is set to see phenomenal growth in 2018. This will be based around infrastructure development, with fast-growth markets most likely gravitating towards turnkey solutions like YuuPay, and mature markets easing into the idea of contactless m-payments. YuuPay has launched its mobile wallet solution in Nigeria and it is preparing to launch it in Indonesia by Q4 2018.

**11. Dividend**

If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

(b)

(i) Amount per share ..... cents

(ii) Previous corresponding period ..... cents

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

(d) The date the dividend is payable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

- (a) Nil

- (b) Not applicable

- (c) Not applicable

- (d) Not applicable

- (e) Not applicable

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared (recommended) for the quarter ended 31 March 2018.



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13. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Pursuant to the Special General Meeting held on 27 May 2016, the Group was granted an IPT Mandate. IPT transactions were performed over the current period reported on 1Q 2018 as per table below:

Service fee

	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)	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		(S\$'000)	(S\$'000)
First quarter ended 31 March 2018	SANDBOX GLOBAL CO., LTD	-	50
First quarter ended 31 March 2018	MOBILE FUTUREWORKS .INC,	-	69

14. **Use of proceeds**

**Capital Commitment from GEM Investments America LLC (GEMIA)**

	Opening Balance in SGD m	Use of Proceeds in SGD m	Closing Balance in SGD m
<i>Intended Use and expenses (in SGD million)</i>			
<u>General corporate expenses and business development</u>	<u>2</u>	<u>0.7</u>	<u>1.26</u>

During the quarter ended 31 March 2018, the group utilised SGD \$1.60 million from the proceeds allocated for general corporate expenses and working capital purposes mainly for employee costs, office expenses and professional fees.

15. **Confirmation by the Board pursuant to Rule 720(1) of the listing manual**

On behalf of the Board of Directors of the Company, we hereby confirm that we procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.



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**16. Confirmation pursuant to Rule 705 (5) of the listing manual**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the 1<sup>st</sup> quarter ended 31 March 2018 to be false or misleading in any material aspect. However, it should be noted that the unaudited financial year 2017 comparison number will later on be affected by adjustment to the financial year 2017, once the Group's audit has been completed.

**BY ORDER OF THE BOARD  
MOHANDAS  
CHIEF OPERATING OFFICER  
15<sup>th</sup> May 2018**