



YUUZOO CORPORATION LIMITED
(Company Registration No: 36658)
(Incorporated in Bermuda)
(the "**Company**")

**PROPOSED ISSUANCE OF UP TO 20,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF
YUUZOO CORPORATION LIMITED**

1. INTRODUCTION

The Company has on 12 January 2016 (the "**Effective Date**") entered into an agreement (the "**Rationalisation Transaction Agreement**") with Mark Cramer Roberts ("**MCR**") to (i) facilitate the renewal and extension of the Etisalat Agreement (defined below) ("**Etisalat Renewal**"), (ii) assign the Etisalat Renewal to the Company or to facilitate the entry into a new agreement (on substantially the same terms and conditions of the Etisalat Agreement) by Etisalat directly with the Company (the "**New Etisalat Agreement**"), and (iii) assign to the Company certain Intellectual Property Rights as detailed below ((i) – (iii) above hereinafter collectively referred to as the "**Asset Transfer**").

Emirates Telecommunications Corporation ("**Etisalat Corporate**") is a multinational UAE based telecommunications services provider, currently operating in 15 countries across Asia, the Middle East and Africa, and is one of the top 20 mobile network operators in the world, with a total customer base of more than 150 million and a market capitalisation of over US\$30 billion.

MCR owns or controls YZ Australia Pty Ltd, an Australian company incorporated in New South Wales ("**YZ Aus**"), and, in respect of certain UK franchise rights ("**UK Franchise**"), YZ Aus and the Company's wholly-owned subsidiary, YuuZoo Content Management Pte Ltd, have entered into an agreement dated 2 December 2010, as amended by a supplementary agreement (the "**UK Franchise Agreement**").

Pursuant to the UK Franchise Agreement, YuuZoo UK Social Solutions Limited (Registration 08486755), a company registered in England ("**YuuZoo UK**"), and an affiliate of YZ Aus acting in furtherance of the UK Franchise, entered into an agreement with Emerging Markets Telecommunication Services Limited a Nigerian company incorporated in Lagos State and Etisalat Corporate's Nigerian arm ("**Etisalat**") for certain social e-commerce networks in Nigeria for one (1) year from the date of such agreement, being 15 August 2014 (the "**Etisalat Agreement**").

For the avoidance of doubt, YZ Australia and Yuuzoo UK are not related to the Company, its directors, substantial shareholders, controlling shareholders or persons specified under Listing Manual Rule 812(1)(a) to (d).

The Intellectual Property Rights to be assigned to the Company under the separate agreement to be entered into between YuuZoo UK and the Company for assignment from YuuZoo UK to the Company of all intellectual property rights pursuant to the Etisalat Agreement (the "**IP Assignment Agreement**") are: any or all rights, title, interest or benefit whether in the form of copyright, patents, utility innovations, know-how, goodwill, reputation, trade marks, trade names, brands, geographical indications, domain names, layout design rights, design rights, database rights, trade or business names, rights protecting trade secrets, source code and corresponding machine readable object code or other interpreted form, and confidential information, rights protecting goodwill and reputation, get up and rights pertaining to passing off, and all other similar or corresponding proprietary rights and all applications for the same, whether now existing or hereafter devised, discovered or created, anywhere in the world, whether registered or not, and all benefits, privileges, rights to sue, recover damages and obtain relief or other remedies for any past, current or future infringement, misappropriation or violation of any of the foregoing rights.



Pursuant to the execution of the Rationalisation Transaction Agreement, the Company shall pay MCR (or such nominee as MCR may specify) USD1,960,000 (the “**Consideration**”), of which shall be paid to MCR in the form of ordinary shares in the Company (the “**Consideration Shares**”). The Consideration is in respect of MCR’s performance of the Asset Transfer under the Rationalisation Transaction Agreement, and satisfied through the issuance and allotment of Consideration Shares to MCR or such nominee as MCR may specify.

For the avoidance of doubt, (i) MCR is an independent contractor for the purposes of the Asset Transfer and the Rationalisation Transaction and not an employee of YuuZoo and, (ii) the Consideration Shares are issued solely for MCR’s performance of the Asset Transfer under the Rationalisation Transaction.

2. PRINCIPAL TERMS OF THE PROPOSED ISSUANCE

2.1 Issue Price & Conditions of the Proposed Issuance

The Consideration was determined based on arm’s length negotiations, after taking into account, *inter alia*, the value of the Asset Transfer, the expected increase in the Company’s revenue and profits pursuant to the revised structure, MCR’s willingness to accept the Consideration being in the form of Consideration Shares, and that the aggregate value of the Consideration Shares constitutes a fair and proportionate percentage of the value of the Asset Transfer. Under the New Etisalat Agreement to be entered into, the Company shall receive revenue that would have accrued to YuuZoo UK under the Etisalat Agreement.

On the Effective Date of the Rationalisation Transaction, the Company shall submit an Additional Listing Application in connection with the issuance and allotment of the Consideration Shares at an issue price per share determined by the average daily volume weighted average price (“**VWAP**”) rounded-up to the nearest Singapore cent per share (the “**Issue Price**”) for the five consecutive trading days immediately preceding the date of issuance (the “**Issue Date**”) of the Consideration Shares. The Company shall issue the Consideration Shares upon completion of the Asset Transfer (the “**Proposed Issuance**”).

2.2 Consideration Shares

The number of Consideration Shares to be issued and allotted is to be determined by dividing the Consideration by the VWAP per share for the five consecutive trading days immediately preceding the Issue Date. The Consideration Shares are intended to be issued pursuant to a general mandate granted by shareholders, obtained at the Annual General Meeting of the Company held on 29 May 2015. When issued, the Consideration Shares will be free from all encumbrances and shall rank *pari passu* in all respects with, and carry all rights similar to, the existing shares in the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Issuance.

MCR shall sell the Consideration Shares within six months of the Issue Date (the “**Sale Period**”), provided that (i) MCR notifies the Company of the quantity and the price of at which the Consideration Shares are to be sold, (ii) the sale of any Consideration Share is not for a value less than the VWAP for the last five trading days preceding the Issue Date, and (iii) MCR does not offer any more than 2 million Consideration Shares within any five-day period, unless otherwise agreed ((i) – (iii) above, collectively, the “**Restrictions**”).

The Company has guaranteed to MCR that the sale of the Consideration Shares shall yield an aggregate value (the “**Proceeds**”) equal to the Consideration, provided that MCR (a) complies with the Restrictions, (b) sells all the Consideration Shares within the Sale Period, (c) sells the Consideration Shares on the open market during normal trading hours; and if there is a difference between the value of the Proceeds and the Consideration (the “**Shortfall**”), MCR shall clearly and reasonably demonstrate to the Company that (d) the Proceeds are less than the Consideration, (e) the Proceeds could not reasonably have exceeded the Consideration, and (f) give the Company the details of all sales of the Consideration Shares sufficient for the Company to be able to calculate the Shortfall (collectively, the “**Conditions**”).

In the event of a Shortfall, provided that the Conditions are fulfilled, the Company shall issue to MCR additional shares covering the Shortfall (the “**Additional Shares**”), determined by dividing



the Singapore dollar equivalent of the Shortfall as of the date such Additional Shares are issued by the VWAP per share for the five consecutive trading days immediately preceding the date of issue of the Additional Shares.

Conversely, if the Proceeds from the sale of the Consideration Shares are more than the Consideration, MCR shall return to the Company the cash difference between the Proceeds for the Consideration Shares and the Consideration (the "**Excess Consideration**"). Any Excess Consideration shall be paid to the Company by MCR within 21 days of the end of the Sales Period, and shall be supported by sufficient documentation as the Company may reasonably require to verify the accuracy of the calculation of the Excess Consideration. In calculating the amount of the Excess Consideration to be paid to YuuZoo, if any part of the value of such Excess Consideration is in the form of any unsold Consideration Shares held by MCR 6 months after the date on which the Consideration Shares are issued, the value of such unsold Consideration Shares shall be calculated by reference to the single daily Singapore dollar – US dollar spot bid exchange rate as reported by Bloomberg (New York Time) and the VWAP on that day or the immediately preceding trading day if there was no trading on that day.

2.3 Information on MCR

MCR is an entrepreneur and company director of various e-commerce businesses globally, and was identified by the Company as having the requisite industry experience and company knowledge to facilitate the identification and procurement of franchisees to the benefit of the Company.

MCR is not a substantial shareholder of the Company, or a person specified under Listing Manual Rule 812(1)(a) - (d). MCR also does not currently directly own shares in the Company; and following the issuance of the Consideration Shares, will not have more than a 5% interest in the enlarged issued and paid share capital of the Company.

2.4 Additional Listing Application

Further to this announcement, an Additional Listing Application will be submitted to the SGX-ST in order to procure the SGX-ST's approval for the listing and quotation of up to 20,000,000 Consideration Shares.

2.5 Conditions Precedent

The Company's obligation to issue the Consideration Shares shall be conditional upon the receipt of the SGX-ST's approval for the listing and quotation of the Consideration Shares.

3. PURPOSE OF ISSUE

The Rationalisation Transaction Agreement will secure, for the Company, a direct contractual relationship with Etisalat under the terms of the Etisalat Renewal or the New Etisalat Agreement, facilitating continued expansion of the Company's core gamified social e-commerce business. This direct contractual relationship between the Company and Etisalat results in additional revenue accruing to the Company that, under the previous arrangement, would have accrued to YuuZoo UK and/or YZ Aus.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their existing shareholding in the Company, if any, none of the directors or substantial shareholders has any interest, direct or indirect, in connection with the above transaction.

BY ORDER OF THE BOARD

Thomas Zilliacus
Executive Chairman
14 January 2016