



NEW EDISON INVESTMENT RESEARCH REPORT ON YUUZOO SEES SIGNIFICANT UPSIDE ON SHARE PRICE, PUTS FAIR VALUE AT UP TO 1.83S\$ IN VIEW OF NEW SIGNED AGREEMENTS

Singapore May 21st, 2015: Edison Investment Research Limited (“**Edison**”), a leading UK head quartered Investment Research Group with more than 100 analysts in the UK, USA, Germany, Australia and New Zealand, sees in a new 16-page research report on YuuZoo significant upside on YuuZoo’s share price in view of recently signed agreements and YuuZoo’s expansion into a B2C business model.

The report, which was released to the public on May 19th 2015, notes that the share price currently is trading at a discount in line with YuuZoo’s historic B2B focus, rather than as a company exposed to high-growth e-commerce markets in Asia.

In view of the new agreements signed by YuuZoo and its expansion into a B2C business model, Edison expects YuuZoo’s revenues to broadly double annually to FY16, with an expanding margin profile, even when excluding the non-cash franchise license payments.

With key networks being launched in 2015 Edison says that “much of the value will only become evident from 2016 and beyond”. Edison believe this is better captured by a DCF, but also present a multiples-based SOTP for completeness. According to Edison “both methods imply that little to no success is being discounted for YuuZoo’s new strategy, so even modest success could drive upside.”

Edison presents 4 DCF scenarios. All scenarios assume a 12.5% WACC, tax rate increasing to 25% by year five and that 20% of revenues are tied up in working capital. Edison further assumes a 10-year growth phase where margins plateau after year five, and where revenue growth decreases from year five to 2% in perpetuity.

Based on the 4 scenarios, Edison sees fair value for the share at 81 cents in the mid-case growth scenario, at 1.25 S\$ in the rapid growth scenario, and at 35 cents in the slow growth



scenario. With a 10% WACC, Edison puts the fair value of the share at 1.83 S\$ in the rapid growth scenario.

A copy of the report is appended below.

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ABOUT YUUZOO®:

Headquartered in Singapore and listed on the SGX mainboard (SGX: AFC), with access to over 85 million registered users and over 800 million TV viewers in 164 countries, YuuZoo in a unique way combines social networking, e-commerce, gaming and payments in a mobile-optimized, fully localized virtual shopping mall, where the consumer can access hundreds of targeted social networks, targeted shops and targeted entertainment through one single login. All networks are localized for each market as comes to language as well as merchandise and design. To see the networks, log into:

www.yuuzoo.com and www.yuuzoo.cn For more information about the company, please log on to: www.yuucorp.com or www.yuuinvestor.com.

ABOUT EDISON INVESTMENT RESEARCH LIMITED:

Edison Investment Research Limited has a team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. Edison provides services to more than 400 retained corporate and investor clients from their offices in London, New York, Berlin, Sydney and Wellington. The Company is authorized and regulated by the UK Financial Services Authority, FRN 462261, and is fully owned by its Directors and Employees. To see more about the Company, go to www.edisongroup.com.

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Macquarie Capital (Singapore) Pte. Limited ("Macquarie") was the financial adviser to W Corporation Limited (now known as YuuZoo Corporation Limited) in relation to the acquisition of the entire issued and paid-up share capital of YuuZoo Corporation and its subsidiaries. Macquarie assumes no responsibility for the contents of this announcement.