SO36447

YuuZoo
YUUZOO CORPORATION LIMITED

(SGX: AFC.SI)
20 Science Park Road, Science Park 2,
Teletech Park
#03-11/04, Singapore 117674
www.yuucorp.com • www.yuuzoo.com

YUUZOO CORPORATION LIMITED I DELIVERING NEW GROWTH I ANNUAL REPORT 2015

YuuZoo
YUUZOO CORPORATION LIMITED

DELIVERING NEW GROWTH

ANNUAL REPORT 2015

SO36447_YuuZoo Corporate_Cover.indd 1
Spine: 7mm
Open size: 427mm x 297mm
4C x 4C
9/4/16 9:47 am

CONTENTS

YuuZoo Corporation Limited ("**YuuZoo**", SGX: AFC.SI), a company incorporated in Bermuda and headquartered in Singapore, was listed via a Reverse Takeover ("**RTO**") on the main board of the Singapore Stock Exchange Securities Trading Limited ("**SGX-ST**") and commenced trading on 16 September 2014. As the first Singapore-based social media company to be listed on the SGX-ST mainboard, YuuZoo offers an agile and mobile, demand-driven commerce platform leveraging interest-specific social communities.

CORPORATE PROFILE

Driving Demand-Driven Commerce: Becoming A Leader In The Social Space

YuuZoo uniquely combines interest-based social networking, demand-driven commerce, community-based television networks, gamification and payments in a mobile-optimised, fully localised virtual platform. With a single login, our users can access hundreds of networks comprising focused interest groups. With the same single login, our users are also able to upload user-generated videos, buy demand-based merchandise online and play casual games to earn virtual currency through a loyalty-reward program. All YuuZoo's networks are localised for each market for language, cultural nuance, merchandise, and design. Further, all YuuZoo's networks are equipped with YuuZoo's proprietary online payment solution.

YuuZoo pursues an objective-oriented approach to fulfill the social demand for specific interest-based knowledge, interactions and experiences. This approach is designed through a transnational exchange of experience, mutual learning and cooperation among diverse individuals grouped together based on their specific interests. Overall, YuuZoo's aim is to understand and strengthen user engagement in our users' interest verticals and introduce highly relevant and specific content and product recommendations.

YuuZoo, using our in-house-built technology platform, has created a complete demand-driven commerce platform. This platform deploys a unique data analytics approach that intelligently understands and tracks our users' behaviours and sentiments. Through YuuZoo, any online social community has the ability to leverage the YuuZoo platform for growth. This is due to the platform's dynamism, and this in turn allows YuuZoo to be the preferred partner to bring a demand-driven solution to online communities.

YuuZoo is launching our own interest-specific social communities – **Tribe** – The World in Your Hands. Tribe will offer our users both content and merchandise based on each user's interest-focus, the user's peers recommendations and popular trends within the user's locale.

YuuZoo has a program of global expansion for its operations. This growth is structured through a global network of franchisees and partners who are responsible for localisation, as well as local marketing.

Growth Through Franchisees And Partners: Yuuzoo's Shareholders Are Owners Of Local Social E-Commerce Businesses Worldwide

YuuZoo develops our business through a network of franchisees and partners, each responsible for localisation and local marketing of the YuuZoo platform within their territory. Each social network built through a local franchisee or partner gives our consumers a fully localised user experience, unequalled in any other social networking or e-commerce environment.

YuuZoo's franchisees purchase a licence to operate YuuZoo's proprietary platform in their respective markets. In addition to the one-time licence fee, YuuZoo receives a recurring revenue share from all revenues generated via the localised platform; including e-commerce margins, advertising income, payment margins and gaming revenue.

YuuZoo has worked with a big-four accounting firm to develop a bespoke payment model for its franchise business. YuuZoo's franchisees pay the one-time license fee either in cash or in shares in the franchisee's company. Where payment is in shares, this achieves two benefits for YuuZoo. Firstly, YuuZoo receives a significantly higher share of the recurring revenues generated by the franchisee. Secondly, as a shareholder in the franchise company, YuuZoo is better able to correctly determine the value of the franchise assets as the franchisee's business develops. From a shareholder's perspective, each shareholder becomes an owner, not only in YuuZoo, but also a growing number of local social e-commerce businesses in an increasing number of countries. Altogether, this franchise model generates a huge upside to our shareholder's investment and affords each shareholder direct relationship with YuuZoo's international business.

Thomas Zilliacus

MESSAGE FROM CHAIRMAN

Dear Shareholders,

I am pleased to present to you the annual results for FY2015.

Over the past year, your Company has grown strongly in revenues as well as in profits. The Company's revenue grew by 73% to SGD 95.1 million (USD 65.4 million). EBITDA grew 605% to SGD 44 million (USD 31.4 million). EBIT turned from negative in 2014, where one-time listing costs dragged down the annual result, to SGD 33.3 million positive (USD 23.8 million).

This strong growth in 2015 revenue was achieved in spite of the loss of all YuuZoo's online games' revenue – this revenue amounted to SGD 22.9 million (USD 18.1 million) in 2014. The 2015 loss in games' revenue was due to prolonged discussions over the acquisition of IAH Games. I am pleased to report that negotiations with IAH Games concluded in early 2016. YuuZoo has successfully acquired a 30% stake in IAH Games and, from Q2/2016 onwards, YuuZoo will re-commence the sale of games from IAH through YuuZoo's e-commerce platform. This revenue from this will form part of YuuZoo's topline revenue.

Strong expansion in the world's largest markets

In 2015, YuuZoo continued its strong expansion in China. In May 2015, YuuZoo formed YuuGames, a joint venture with XG AMA, a leading provider and organiser of eSport events and related gaming activities. This new venture has quickly become a leading organiser of eSport events in China. One of the events organised by YuuGames was the 2015 ESCC Online Gaming Clubs Invitational. This prestigious competition was organised in conjunction with the Ministry of Culture, China Animation Group. ESCC is considered China's top eSport event in terms of the prize money, coverage and influence. With more than 400 million gamers in China, a strong position in eSports gives us access to a huge and high-spending consumer base.

2015 also saw the acquisition of key gaming assets from Camigo LLC, a leading China-based developer of mobile games. The assets acquired from Camigo include more than 26 million users and 11 games. The 26 million users are consumers to whom YuuZoo is able to directly market its other games and services directly. The 11 games will be marketed by YuuZoo to consumers in markets outside of China.

In Q3 2015, YuuZoo became a minority shareholder in Beijing-headquartered RS Media & Entertainment Group. RSMEG aims to be one of the premier facilitators for Chinese film and television co-production. As a result of this investment, YuuZoo will have a presence on all 4 screens in China: the movie screen, the television screen, the computer screen, and the mobile screen.

In Nigeria, in 2015 YuuZoo saw major progress in this fast-developing market. YuuZoo acquired a full gaming licence in Nigeria. This licence allows YuuZoo to offer lotto gaming, the world's most popular form of lottery. The mobile market for lotto gaming is growing rapidly in Nigeria. YuuZoo also launched its e-commerce platform for small and medium enterprises, SME Arena. SME Arena is a collaboration with Etisalat, one of the largest mobile carriers in Africa and the Middle East. In addition to YuuZoo's other Nigerian ventures, the Company signed a joint venture agreement with NTA, the largest broadcast company in Africa.

In Q3 2015, YuuZoo entered a distribution agreement with Circle of Champions ("**CoC**"), the world's leading developer of mobile games for premier football clubs. In this new arrangement, YuuZoo will distribute CoC games for football clubs that have a combined total of more than 1 billion fans worldwide. These clubs include world-renowned names, such as F.C. Barcelona, Real Madrid, Chelsea F.C., Manchester City F.C., Arsenal F.C. and Liverpool F.C.

In September 2015, YuuZoo signed an agreement with GEM Global Yield Fund Limited, a New York-based investment group, which provides the Company with a funding line of up to SGD30 million over the next three years.

In October 2015, the Company appointed James Sundram to take over the responsibilities of Chief Executive Officer, allowing myself to focus on strategic issues and global partnerships while handing over the day-to-day operational duties to James.

Research reports state that YuuZoo's shares are significantly undervalued

While the Company has consistently delivered strong numbers and has executed high-profile high-value contracts, the market has not responded as we would have expected. With an EBITDA of SGD 44 million and an EBIT of SGD 33.3 million, YuuZoo is currently, on 6th April 2016, one of the cheapest shares on the Singapore Stock Exchange, trading at a PE of 4. A recent DBS Bank research report stated that a fair PE for YuuZoo would be 25, in view of comparable companies. Applying a PE of 25 to the 2015 EBIT of SGD 33.3 million would give a share price of SGD 1.32. Another recent research report from US-based Alpha Group

MESSAGE FROM CHAIRMAN

puts the fair value of YuuZoo's shares at SGD 1.40. A big part of the issue with the market valuing the Company differently appears to lie with the difficulty for the market to understand the YuuZoo's unique business model and the Company's novel approach to the digital space. In 2016, YuuZoo will focus strongly on Investor Relations and on making sure that investors fully understand YuuZoo's business model and potential.

The YuuZoo Franchise Model: Independent valuation reports and sale of assets to investors confirm value of shares received as payment

YuuZoo grows its business through an international network of franchisees, operating in their local markets and designated business segments. Franchisees pay for the licenses in cash, or in shares in the franchise company. This franchise model has been structured for YuuZoo by a big-4 accounting firm to maximise YuuZoo-shareholder benefit. The same big-4 accounting firm has confirmed that share-based payments fully adhere to the International Financial Reporting Standards ("**IFRS**") and should be recognised as revenue in the year the franchise licence is sold.

In 2015, a separate big-4 accounting firm performed a valuation (the "**Valuation**") of the shares in franchise companies transferred as payment to YuuZoo ("**Franchise Shareholding**"). The Valuation has been independently confirmed by CharFi Valuation Services, LLC ("**Chardan**"), a recognised New York-based investment bank with specialist expertise in YuuZoo's business sectors. Further, the market itself has confirmed the Franchise Shareholding's value. Several private investors have entered into term sheets to purchase from YuuZoo portions of the Franchise Shareholding at the value given by the two valuation reports. Together, the valuations and the market confirmation have, by the preponderance of the evidence, confirmed the correctness of the value of the Franchise Shareholding in the Company's FY2015 accounts.

It is therefore baffling and disappointing that while the Company's current auditors do not disagree with the Valuation, and agree that, under IFRS, it is correct to recognise the value of shares as revenue, they still, in spite of the 166-page Valuation by a big-4 accounting firm and the valuation report by a recognised industry expert, were are unable to confirm the exact value of the shares YuuZoo has received as payment.

YuuZoo needs an auditor equipped with the industry-knowledge required to address the audit needs of YuuZoo as a 3rd generation social e-commerce company. In consultation with our current auditors, the Company has therefore opted to seek a new auditor that has full knowledge and understanding of the modern digital business space. YuuZoo's current auditors have suggested that the Company expand its search for a new auditor overseas. At the time this message is written, the Company has commenced discussions with relevant auditors, and expects to make an announcement of its new auditor shortly. Once appointed, the new auditors will immediately be tasked to finish the auditing of the Company's FY2015 results and address the only outstanding issue, the value of the shares received as payment for the franchise licences.

Strong 2016 outlook

We will not rest on our laurels in 2016. Our expansion from a pure B2B model to a combined B2B and B2C model is paying off. We will continue our global expansion with the combined model. YuuZoo expects to see the 2015 growth continue and even accelerate. With the shadow of uncertainty looming over the global economy, we will be prudent in our expansion efforts, carefully conducting a full review and analysis before proceeding. The Company's focus will remain on Asia and Africa in 2016, with a continued emphasis on China and Nigeria – the largest country in each region. In 2016, YuuZoo also expects to enter other markets, including Europe and the Americas.

Words of thanks

I want to conclude by thanking all the shareholders of the Company. Your unwavering support and patience has been invaluable. I believe that your patience will be well rewarded in 2016.

To all the employees of YuuZoo, I wish to express my gratitude for your dedication and hard work.

To our partners, franchisees and resellers throughout the world, thank you for your support and co-operation. Together we will produce great results in 2016.

Thomas Zilliacus
Executive Chairman

OPERATION & FINANCIAL REVIEW

Operational Review

The YuuZoo Group is principally involved in developing an agile and mobile, demand-driven commerce solutions, leveraging interest-specific social communities. Specifically, YuuZoo provides online and mobile payment solutions, as well as building mobile-optimised device agnostic targeted social e-commerce networks for businesses and consumers. YuuZoo's fully localised virtual platform combines interest-based social networking, demand-driven commerce, community-based television networks, gamification and payments. Through a single login, YuuZoo's users can access hundreds of interest-focused networks, upload user-generated videos, buy demand-based merchandise online and play casual games to earn virtual currency through a loyalty-reward program. All YuuZoo's networks are fully localised for each market for language, cultural nuance, merchandise, and design. YuuZoo's program of global expansion is structured through a global network of local franchisees and partners who are responsible for localisation, as well as local marketing.

China

In May 2015, YuuZoo formed YuuGames, a joint venture with XG AMA, a leading provider and organiser of eSport events and related gaming activities. YuuGames has quickly become a leading organiser of eSport events in China. The 2015 ESCC Online Gaming Clubs Invitational, organised by YuuGames in conjunction with the Ministry of Culture, China Animation Group, is considered a top eSport in China.

In Q3 2015, YuuZoo became a minority shareholder in Beijing-headquartered RS Media & Entertainment Group ("**RSMEG**"). RSMEG aims to be one of the premier facilitators for Chinese film and television co-production. As a result of this investment, YuuZoo will have a presence on all 4 screens in China: the movie screen, the television screen, the computer screen, and the mobile screen.

Nigeria

2015 YuuZoo saw major progress in the fast-developing Nigerian market. YuuZoo acquired a full gaming licence in Nigeria, allowing YuuZoo to offer lotto gaming – the world's most popular form of lottery. YuuZoo also launched its Nigerian e-commerce platform, SME Arena. SME Arena is a collaboration with Etisalat, one of the largest mobile carriers in Africa and the Middle East. In addition to YuuZoo's other Nigerian ventures, the Company signed a joint venture agreement with NTA, the largest broadcast company in Africa.

Games

August 2015 saw the acquisition of key gaming assets from Camigo LLC, a leading China-based developer of mobile games. The assets acquired from Camigo include more than 26 million users and 11 games. The 26 million users are consumers to whom YuuZoo is able to directly market its other games and services directly. The 11 games will be marketed by YuuZoo to consumers in markets outside of China.

In Q3 2015, YuuZoo entered a distribution agreement with Circle of Champions ("**CoC**"), the world's leading developer of mobile games for premier football clubs. In this new arrangement, YuuZoo will distribute CoC games for football clubs that have a combined total of more than 1 billion fans worldwide. These clubs include world-renowned names, such as F.C. Barcelona, Real Madrid, Chelsea F.C., Manchester City F.C., Arsenal F.C. and Liverpool F.C.

Corporate Operations

In September 2015, YuuZoo signed an agreement with GEM Global Yield Fund Limited, a New York-based investment group, which provides the Company with a funding line of up to SGD30 million over the next three years.

In October 2015, the Company appointed James Sundram to take over the responsibilities of Chief Executive Officer.

In December 2015, YuuZoo and IAH Games successfully concluded all outstanding legal matters, and agreed YuuZoo's acquisition of 30% stake in IAH Games. In addition, IAH Games agreed to re-commence the sale of games from IAH through YuuZoo's e-commerce platform, and to grant YuuZoo access to 32 million of IAH Games' users.

Financial Review

Income Statement

The YuuZoo Group's revenue for 2015 was SGD90.0 million. This represents a SGD42.3 million (89%) increase over the corresponding period in 2014.

The driver of revenue growth arose from the Group's network and franchise sales where revenues increased by 399% to SGD54.9 million in 2015 from a base of SGD11.0 million in the prior year. Franchise sales revenue for FY2015 have been calculated by reference to independent expert valuations of franchisee company shares received by the Group as consideration from franchisees at the time such franchisee entered into their franchise agreement with the Group. Franchises sold in the current year comprise Turkey,

OPERATION & FINANCIAL REVIEW

Central and Eastern Europe, UK, South Korea and Southern Africa.

E-commerce revenues reduced by 4% to SGD35.1 million. Revenues associated with the Group's 2014 arrangement with IAH Games did not recur in FY2015. This one-off reduction was almost entirely offset by growth of the continuing businesses in other e-commerce areas, primarily through the Group's payment platform.

Expense levels increased in line with the Group's increased operational activity. Themost significant expansion of operational activities relates to ventures in Nigeria and China, where the Group operates businesses through subsidiaries or associated companies, and not through franchisees.

Due to the high-margin nature of the franchise business model, YuuZoo achieved a pre-tax profit of SGD32.7 million compared to a loss of SGD57.7 million in 2014.

There is no current year equivalent to the non-recurring expenses related to the 2014 RTO, which amounted to SGD56.5 million.

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

Balance Sheet

The increase in non-current assets was largely due to the inclusion of assets available for sale amounting to SGD55.0 million as a result of receiving payments for licences for YuuZoo's business in Central and Eastern Europe, South Korea, Turkey, UK and Southern Africa in the form of shares in the franchise companies running the operations in these countries. Also included in this class of asset is the Company's SGD4.4 million stake in the China-focused film company, RSMEG.

Trade and other receivable levels are relatively consistent year-on-year. These levels will reduce in the FY2016 to reflect the impact of the recently announced deal with IAH Games, and the expected settlement of payment for network sales.

The Group's current liabilities increased to SGD11.2 million from SGD3.2 million at 31 December 2014. This was due to an increase in trade and other payables generated by higher merchant transactions during this period.

The Group's current assets decreased by SGD6.3 million from SGD45.0 million as at 31 December 2014 to SGD38.7 million as at 31 December 2015. The decrease was mainly due to a lower bank balance.

Cash

The Group's cash and cash-equivalents as at 31 December 2015 was SGD3.7 million, representing a decrease of SGD8.7 million from FY2014's SGD12.4million. This amount was primarily used in the Group's operational activities.

The profit before tax of SGD32.7 million in the current year (2014 loss of SGD57.7 million) included SGD54.6 million in revenue received in the form of shares and advertising rights (2014 – SGD11.8 million) and non-cash based expenses of SGD11.8 million (2014 – SGD58.1 million). In 2015, the Company's increased payables net of increased receivables, freed up cash of SGD5.8 million. In 2014, SGD3.5 million was absorbed by the net decrease in debtors and creditor balances.

During 2015, the Group's operational activities used SGD3.8 million. This is a SGD11.6 million improvement over 2014 where these activities absorbed SGD15.4 million.

2015 saw the Company invest SGD6.2 million, primarily in RSMEG and users and games from Camigo Media. Cash generated by investing activities in the corresponding period last year resulted from the W Corporation bank account balance acquired as part of the RTO process.

The 2014 cash flow benefitted from the proceeds from issue of shares of SGD25.3 million. There was no equivalent contribution required from shareholders in the current year.

Outlook

The YuuZoo Group, together with our partners and franchisees operate in a combination of four key areas: social networking, e-commerce, payments and gaming. The industry trends in all areas are strongly positive, especially in emerging markets and Asia where the expertise and presence of YuuZoo is relatively strong.

There are no known factors or events that are expected to negatively affect the Group in the next reporting period and the next 12 months. The YuuZoo Group expects its current agreements to continue to generate growth in its recurring e-commerce segment income from payments, advertising, gaming and general e-commerce. Discussions with potential franchisees and clients are expected to result in continuing revenues from network sales and the issue of new franchise licenses.

The YuuZoo Group's cash requirements for the short and medium term can be met from the proceeds of share issues to Gem Global Yield Fund LLC SCS under the SGD30 million Capital Commitment Agreement facility that was approved by YuuZoo's shareholders at a Special General Meeting held on 21 March 2016.

ADVISORY BOARD

1 | ROBERT CROZIER

Robert (Bob) Crozier, who lives in London, UK, is currently Managing Director for the International division of Robb Report, the global publication and authority of luxury lifestyle, has spent over 40 years in print, online and other related media businesses across Europe, Middle East, Africa, Asia Pacific and the United States. He successfully managed two of the leading global brand names in international publishing, Forbes Global Magazine (EMEA and Asia/Pacific Editions), where he was the former Vice President, Managing Director and Publisher; and the Time Magazine, Atlantic Edition (EMEA) as President. Prior to joining Forbes in 1999, Crozier served in several posts including as President of Interactive Bureau (New York), and as International Publisher of American Express's Departures Magazine (London). Since 2003, Crozier has also been an Industry Council Advisor at GMT Communications LLC in London, Europe's longest-established private equity firm specialising in the communications arena.

2 | KELLY O'DEA

USA-based Kelly O'Dea was described in a Harvard Business School case as a "global marketing pioneer, business builder and change leader". He has been a senior advisor to C-level clients in such companies as IBM, Microsoft, Samsung, Boeing, Compaq, Ford, Fujitsu, AT&T, PepsiCo, Kraft and Unilever. Resume includes: President - FCB (Foote, Cone and Belding Worldwide) (NYSE: IPG); Vice Chairman/Global Operations - Bozell Worldwide; President - Worldwide Client Services, Ogilvy & Mather (NASDAQ:WPPGY).

His technology experience spans 25 years across hardware, software, mobile, e-commerce and big data platforms. He is also co-founder of IgniteD2K, an emergent leader in next generation big data, real time software applications.

Kelly is the co-founder of Alliance for High Performance Leadership (AllianceHPL), a private strategic services firm focused on applied innovation. The subject of a Harvard Business School case, the firm has specialised in business and market strategies, brand development, marketing technology and design for large clients like Ford, Samsung and Lenovo and many early stage, new technology firms.

Kelly dedicates free time to education. He has been six-term Chairman of Outward Bound International and Chairman of The Thunderbird School of Global Management.

ADVISORY BOARD

3 | RAVI CHIDAMBARAM

Ravi Chidambaram, who resides in Singapore, is the President and Co-Founder of TC Capital, a boutique Asian investment bank. Prior to setting up TC Capital, Ravi spent 5 years with Goldman Sachs, where he worked on many landmark TMT deals. He built Deutsche Bank's Asian Telecom Group, which became a Top 5 advisor in Asian telecom M&A and equity underwriting. He started and ran Bear Stearns' European Technology practice, during which Bear Stearns topped the league tables in 1999 and 2000 for equity private placements in Europe for technology.

He holds a BA (Hons) from Duke University and an MBA from Wharton School. He was a Fulbright Scholar in Economics.

4 | PETER TORNQUIST

Peter Tornqvist, who lives in Stockholm, Sweden, is a Partner with CVC Capital Partners, a leading global private equity firm, headquartered in Luxembourg with a network of 19 offices across Europe, Asia and the USA. Previously, he was a Managing Director of Lehman Brothers responsible for its Nordic Investment Banking business and European Industrial Group, and a Senior Partner at Bain & Company and a member of its worldwide Executive Committee. Peter holds a Business degree from the Stockholm School of Economics and an MBA from IMD, Switzerland. Peter is based in Sweden and France.

BOARD OF DIRECTORS

THOMAS ZILLIACUS
Executive Chairman

Thomas Zilliacus is a globally recognised innovator and leader in the mobile business space. He has spent a significant number of years working in senior management positions alongside global mobile-industry leaders. He is chairman and founder of Mobile FutureWorks, Inc., an investment and development company, focused on the mobile space. Mobile FutureWorks currently holds approximately 27% of YuuZoo's outstanding shares. In total, Thomas has a 28.22% stake in YuuZoo.

Prior to forming Mobile FutureWorks, Thomas held various senior management positions with Nokia, the world's leading mobile-handset company at the time. Thomas' senior Nokia positions include Asia-Pacific Regional Director, a role Thomas built from the ground up, with the APAC region becoming Nokia's largest region worldwide for revenue. At Nokia, Thomas was also Managing Director for Nokia Southeast Asia Pte Ltd, and Senior Vice-President, Corporate Communications with overall global responsibility for Nokia's corporate image, marketing, PR and brand.

Thomas is a board member of Singapore-mainboard-listed S i2i Ltd, a company engaged in mobile handset manufacturing and distribution. He is chairman of S i2i's nominating committee and remuneration committee, and a member of its audit committee and share-value enhancement committee. Thomas is a board member or senior advisor to several companies in the IMM (Internet Mobile and Media) space. He is the co-founder and first chairman of the world's leading mobile services industry body, the Mobile Entertainment Forum.

OZI AMANAT
Independent Director

Ozi Amanat is an international investor and venture capitalist. He is also the founder and chairman of K2 Global, a multi-billionaire backed VC firm focused on early-stage to pre-IPO tech-ventures. Ozi's personal and venture investments include Twitter and Facebook. Ozi is an active philanthropist, serving on the board of various US-based non-profit organisations such as Astia Angels "VC", OneHope Wine "Social Impact", and Seeds of Peace "NGO" and Baylor Medical College "Health". Both his philanthropic work and private equity success have garnered him accolades: the Seeds of Peace's Young Peacemaker Award and nomination of "CIO of the Year" by the Family Office Review. Ozi is a graduate of Harvard University and served as the chairman of the entrepreneur committee of the Harvard Club.

ANTHONY WILLIAMS
Independent Director

Anthony Williams is co-executive partner of Denton's New York office. He focuses on commercial transactions, including mergers and acquisitions, private equity investments and financings of US and non-US clients. He also counsels domestic and multi-national corporations on all securities law topics and corporate finance matters. In addition to his extensive transactional practice, he acts as general counsel to family offices and private foundations and advises on all of their legal and business needs.

After working in Coudert Brothers LLP' Hong Kong office and founding its San Francisco office, Anthony served as Chairman of Coudert Brothers from 1993 to 2001. He has in depth international experience in financial management, investments, accounting and business development. He is a veteran of the United States Army.

Anthony has a J.D. from New York University School of Law. While at NYU, Anthony was managing editor of the New York University Journal of Internal Law. He graduated cum laude from Harvard University. Anthony is admitted to the bar New York, California and has court admissions in the Supreme Court of the United States.

MIKAEL STEWEN
Independent Director

Mikael Stewen is the General Manager and Sales Director of UPM-Kymmene Asia Pacific Pte. Ltd. (Singapore), a Finnish manufacturer of forest and paper products. He has over 30 years of expertise in sales, marketing, management, and cross-country operations. Previously, Mikael was Vice President for the Korea and Hong Kong headquarters of UPM-Kymmene. Mikael also held various senior positions at Finnpap, the Finnish Paper Mills Association, and managed the organisation's transnational operations in Turkey, Korea, Pakistan, Thailand, Indonesia, and Singapore. Mikael has also had the distinction of serving in the diplomatic corps as the Finnish Embassy's Commercial Attaché to Cairo and Baghdad.

Mikael is an Independent Director in the YuuZoo board and is also a member of YuuZoo's Audit, Nominating, and Remuneration committees respectively. He has a degree in Forestry from Ekenas Forestry Polytechnic in Finland.

KEY PERSONS

THOMAS ZILLIACUS
Executive Chairman

Thomas Zilliacus is a globally recognised innovator and leader in the mobile business space. He has spent a significant number of years working in senior management positions alongside global mobile-industry leaders. He is chairman and founder of Mobile FutureWorks, Inc., an investment and development company, focused on the mobile space. Mobile FutureWorks currently holds approximately 27% of YuuZoo's outstanding shares. In total, Thomas has a 28.22% stake in YuuZoo.

Prior to forming Mobile FutureWorks, Thomas held various senior management positions with Nokia, the world's leading mobile-handset company at the time. Thomas' senior Nokia positions include Asia-Pacific Regional Director, a role Thomas built from the ground up, with the APAC region becoming Nokia's largest region worldwide for revenue. At Nokia, Thomas was also Managing Director for Nokia Southeast Asia Pte Ltd, and Senior Vice-President, Corporate Communications with overall global responsibility for Nokia's corporate image, marketing, PR and brand.

Thomas is a board member of Singapore-mainboard-listed S i2i Ltd, a company engaged in mobile handset manufacturing and distribution. He is chairman of S i2i's nominating committee and remuneration committee, and a member of its audit committee and share-value enhancement committee. Thomas is a board member or senior advisor to several companies in the IMM (Internet Mobile and Media) space. He is the co-founder and first chairman of the world's leading mobile services industry body, the Mobile Entertainment Forum.

JAMES SUNDRAM
Chief Executive Officer

James Sundram brings over 25 years of international expertise in the online, multimedia advertising, and publishing industries, with impressive achievements in turnaround and transformation strategies. Designated as the CEO at YuuZoo, he is in-charge of the overall business growth for YuuZoo.

Prior to YuuZoo, James was Managing Director (International) of PropertyGuru.com, one of Asia's largest real estate portals. At PropertyGuru, James led the charge and oversaw the group's growth strategy and profitability for Malaysia, Indonesia, and Thailand. James has an indisputable track record in both traditional and new media industries. He has launched several initiatives in innovative business integration and new revenue streams that have resulted in remarkable revenue growth across various markets for his former companies. With a solid background in strategic and international marketing, he independently set up Lonely Planet's APAC headquarters in Singapore. As Lonely Planet's Head of APAC, James drove revenue to over 12% year-on-year.

James has also held various senior positions at Singapore's largest media conglomerate, Singapore Press Holdings (SPH). He advanced SPH's Magazine Group, where he fostered collaborations that turned around underperforming products, improving the group's top line by 25%.

James has an MBA from the University of Dubuque, U.S.A. He also has a Business Diploma in Marketing from the Chartered Institute of Marketing, UK (CIMUK), and a Graduate Diploma in Sales and Marketing from the Marketing Institute of Singapore.

MICHAEL PARKER

Chief Financial Officer

Michael Parker's career in finance started with 10-years of service with the professional accounting firm PKF, after which he moved on to the News Corporation Group.

In News Corp., he held various finance-based positions including CFO of South China Morning Post, Star TV and Fox Sports Australia. During his tenure at Star TV the business expanded from a Hong Kong centric, advertising supported, English language pan-Asian group of channels to a distributed group of broadcast platforms aimed at specific markets across Asia. As CFO of Fox Sports he drove the growth in the business from a single channel, SD, analog linear 4x3 channel to a very profitable, 7 channel, HD, digital operation with a significant online and mobile presence.

After News Corp., Michael continued his finance and media career with 3 years as COO of the UBI World TV platform and held various project-based CFO positions before making the move to YuuZoo.

COMPANY INFORMATION

BOARD OF DIRECTORS

Thomas Zilliacus
Executive Chairman

Anthony Williams
Independent Director

Ozi Amanat
Independent Director

Mikael Stewen
Independent Director

COMPANY SECRETARY

Elizabeth Krishnan

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda
Tel: (65) 6311 9359
Fax: (65) 6275 8469
Website: www.yuucorp.com

SHARE REGISTRAR

RHT Corporate Advisory Pte Ltd
Six Battery Road #10-01,
Singapore 049909

AUDIT COMMITTEE

Anthony Williams
Member
Independent Director

Ozi Amanat
Member
Independent Director

Mikael Stewen
Member
Independent Director

NOMINATING COMMITTEE

Anthony Williams
Member
Independent Director

Ozi Amanat
Member
Independent Director

Mikael Stewen
Member
Independent Director

REMUNERATION COMMITTEE

Anthony Williams
Member
Independent Director

Ozi Amanat
Member
Independent Director

Mikael Stewen
Member
Independent Director

AUDITORS

Moore Stephens LLC
Chartered Accountant of Singapore
10 Anson Road #29-15 International Plaza
Singapore 079903

AUDITOR PARTNER-IN-CHARGE

Mr. Neo Keng Jin
(Appointed in Financial Year 2015)

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

REPORT ON CORPORATE GOVERNANCE

The Board of Directors ("**Board**") and the Management of YuuZoo Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to observing and maintaining good corporate governance to protect the interests of the shareholders and other stakeholders and to promote investors' confidence. The Group has substantially complied with the recommendations of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012, and deviations from the Code are explained through self-regulatory corporate practices. This report describes the Company's corporate governance practices with reference to the principles of the Code and the extent of compliance thereto.

Principle 1 – The Board's Conduct of its Affairs

The direction and control of the Group rest firmly with the Board as it effectively assumes the overall responsibility for corporate governance, strategic direction, policy formulation and overseeing of the investments and operations of the Group.

The principal duties of the Board apart from its statutory duties that come under the purview of the Board include:

(a) providing entrepreneurial leadership, setting the strategic directions and long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;

(b) reviewing and approving corporate plans, annual budgets, investment and divestment proposals, major funding proposals and financial plans of the Group;

(c) reviewing Management performance;

(d) reviewing and evaluating the adequacy and integrity of the Group's internal controls, risk management and financial reporting systems;

(e) ensuring the Group's compliance with laws, regulations, policies and guidelines;

(f) reviewing and approving interested person transactions ("**IPTs**") and material transactions requiring announcement under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**");

(g) identifying the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(h) ensuring accurate and timely reporting in communication with shareholders;

(i) determining the values and standards including ethical standards of the Group and ensure that obligations to the shareholders and others are understood and met; and

(j) considering sustainability issues including environmental and social factors in the formulation of Group's strategies.

To facilitate effective execution of its function, the Board has delegated specific responsibilities to three (3) Board committees, namely, Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (altogether, the "**Board Committees**"). The terms of reference of the board committees set out each committee's role and responsibility to examine any particular issue and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

REPORT ON
CORPORATE GOVERNANCE

The Board meets at least once quarterly. The frequency of meetings and the attendance of each director at every board and board committee meeting are disclosed below. Telephonic attendance at Board meetings is allowed under the Bye-Laws of the Company. The Board and Board Committees may also make decisions by way of circulating resolutions.

The attendance of the Directors at Board and committee meetings during the financial year from 1 January 2015 to 31 December 2015 is tabulated below:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Directors	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Chong Chee Hoong Note 1	0	0	0	0	0	0	0	0
Thomas Zilliacus Note 2	5	5	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Nigel Laurie Lee Note 3	3	1	3	3	2	2	2	2
Kee Poir Mok Note 4	3	1	3	3	2	2	2	2
Anthony Williams Note 5	5	3	3	2	0	0	0	0
Ozi Amanat Note 6	3	3	3	3	0	0	0	0
Mikael Stewen Note 7	2	1	2	1	0	0	0	0

N.A. : Not Applicable

Note 1 : Mr. Chong Chee Hoong resigned as an Independent Director with effect from 25 February 2015.

Note 2 : Mr. Thomas Zilliacus was appointed as an Executive Chairman and CEO with effect from 29 August 2014. He resigned as Chief Executive Officer ("CEO") as of 01 October 2015 with the appointment of Mr. James Sundram as CEO.

Note 3 : Mr. Nigel Laurie Lee retired as a Non-Independent Non-Executive Director on 29 May 2015.

Note 4 : Mr. Kee Poir Mok retired as an Independent Director on 29 May 2015.

Note 5 : Mr. Anthony Williams was appointed as an Independent Director with effect from 25 February 2015. He became the Chairman of RC and a member of AC and NC with effect from 5 May 2015.

Note 6 : Mr. Ozi Amanat was appointed as an Independent Director and a member of the NC and AC with effect from 08 May 2015 and a member of RC with effect from 28 December 2015.

Note 7 : Mr. Mikael Stewen was appointed as an Independent Director and a member of AC, NC and RC with effect from 29 July 2015.

Matters specifically reserved for the Board's approval are those involving material acquisitions and disposal of assets, corporate or financial restructuring, share issuances, dividends to shareholders and IPTs. Clear directions have been imposed on Management that such matters must be approved by the Board.

Principle 2 – Board Composition and Balance

The Board currently comprises four (4) Directors of whom there is one executive Director, and three (3) Independent Directors, as follows:

Mr. Thomas Zilliacus	Executive Chairman
Mr. Anthony Williams	Independent Director (appointed on 25 February 2015)
Mr. Ozi Amanat	Independent Director (appointed on 8 May 2015)
Mr. Mikael Stewen	Independent Director (appointed on 29 July 2015)

The Directors' profiles are set out on page 9 of this Annual Report.

The Board assesses the effectiveness of the Board as a whole annually. It is of the view that the current composition and board size is appropriate for effective decision making. The Board will continue to review the size of the Board on an ongoing basis. The three (3) Independent Directors provide the Board with independent and objective judgment on the corporate affairs of the Group. As a team, the Board collectively provides core competencies in the areas of accounting, finance, business and management, as well as industry knowledge.

Newly-appointed directors are briefed by Management on the history, business operations and corporate governance practices of the Group, and are supplied with all relevant documentation and training in accordance with the Code. Funded by the Company, existing directors are encouraged to participate in seminars and/or briefing sessions to be kept abreast of latest developments, such as regulatory changes which are applicable to the Group.

Mr. Anthony Williams has confirmed that he has a shareholding of 1,058,609 in the Company. Notwithstanding the foregoing, each of the Independent Directors has confirmed that he does not have any relationship with the Company or its related corporations, its 10% shareholders or its officers. The Independent Directors also confirmed that they do not have any relationships and circumstances provided in Guideline 2.3 of the 2012 Code that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group. The NC has reviewed, determined and confirmed the independence of the Independent Directors.

The AC arranges to meet the auditors at least once a year without the presence of Management to review matters that must be raised privately.

During the financial year ended 31 December 2015 ("**FY2015**"), the AC had met the auditors together with Executive Chairman without the presence of any other parties.

Principle 3 – Chairman and Chief Executive Officer

On 1 October 2015, Mr. Thomas Zilliacus resigned as the CEO of the Company. Mr. James Sundram took the position of CEO as from the same date. The Company believes the division of responsibilities will increase accountability and greater capacity of the Board for independent decision making. Mr. Thomas Zilliacus still serves as the Company's Executive Chairman of the Board.

The Company is in the process of appointing a Lead Independent Director.

The Executive Chairman shall:

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the Directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and Management;

(g) facilitate the effective contribution of non-executive directors in particular; and

(h) promote high standards of corporate governance.

The CEO is responsible for day-to-day management of the Group.

Principle 4 – Board Membership

The Nominating Committee currently comprises the following three (3) Directors:

Mr. Anthony Williams	– Independent Director	(Member) (appointed on 5 May 2015)
Mr. Ozi Amanat	– Independent Director	(Member) (appointed on 8 May 2015)
Mr. Mikael Stewen	– Independent Director	(Member) (appointed on 29 July 2015)

The NC has written terms of reference that describe the responsibilities of its members. The duties of the NC are as follows:

(a) regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;

(b) annually review whether or not a director is independent, in accordance with the Guidelines 2.3 and 2.4 of the Code and other salient factors. If the NC considers that a director who has one or more of the relationships mentioned therein can be considered independent, it will provide its view to the Board for consideration. Conversely, the NC has the discretion to consider that a director is not independent even if he does not fall under the circumstances set forth in Guidelines 2.3 and 2.4, and should similarly provide its views to the Board for consideration;

(c) review whether a person would similarly qualify as an independent director, before his appointment as alternate director to an independent director, if applicable;

(d) decide whether or not a director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly when he/she has multiple board directorship, taking into consideration the director's number of listed company board representations and other principal commitments of that director. The Board should determine the maximum number of listed company board representations which any director may hold, and disclose this in the Company's annual report;

(e) assess the effectiveness of the Board and Board committees;

(f) decide how the Board's performance may be evaluated and propose objective performance criteria; and

(g) be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.

The Company has set a formal and transparent process for the selection and appointment of new directors to the Board.

As mentioned under Principle 2 above, the NC also reviews the independence of the Directors annually based on Guideline 2.3 of the Code's definition of what constitutes the independence of the Independent Directors. The NC has affirmed that Mr. Anthony Willams, Mr. Ozi Amanat and Mr. Mikael Stewen are independent. None of the Independent Directors have served on the Board more than nine years from their respective date of appointment. Guideline 2.4 of the Code is therefore not applicable to the Board.

Save for the shareholdings and positions of Mr. Thomas Zilliacus disclosed on page 31 and page 98, and the shareholding of Anthony Williams disclosed on page 31, none of the Directors on the Board are related and do not have any relationship with the Company or its related Companies or its officers that could interfere or to be reasonably perceived to interfere with the exercise of their independent judgements.

Pursuant to the Bye-Laws of the Company,

(a) Each director shall retire at least once in every three (3) years and shall be eligible for re-election; and

(b) Any director appointed by the Board shall retire at the next Annual General Meeting ("**AGM**") of the Company and shall be eligible for re-election.

(c) A person who is not a retiring Director shall be eligible for election to office of Director at any general meeting if a Member intending to propose him has, at least eleven (11) clear days before the meeting, left at the Office a Notice duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him. In the case of a person recommended by the Directors for election, nine (9) clear days' Notice only shall be necessary. Notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days prior to the meeting at which the election is to take place.

Each member of the NC has abstained from voting on any resolution in respect of his re-nomination as a Director of the Company.

All the Directors are required to declare their board appointments. Although the Directors have multiple board representations and/or other principal commitments, the NC has considered and is satisfied that each of them is able to and has carried out his duties as a director of the Company.

The Board does not prescribe a maximum limit on the number of listed company board representations a Director may hold, as the Board believes that a Director can only determine by himself the number of board representations he can manage and the more appropriate measure if the ability of such Director to contribute effectively and demonstrate commitment to his role, including commitment of sufficient time and attention to the Group's business and affairs.

REPORT ON CORPORATE GOVERNANCE

Key information regarding the Directors of the Company as at the date of this report is disclosed as follows:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company	Other Principal Commitments
Thomas Zilliacus	29 August 2014	–	Executive Chairman. Chief Executive Officer until 01 October 2015	–	Present S i2i Limited Past three years –	Executive Chairman of YuuZoo Group of Companies Chairman and Founder of Mobile FutureWorks Inc. Executive Chairman of Sandbox Global Company Ltd. Executive Chairman of Circle of Champions, Inc.
Anthony Williams	25 February 2015	29 May 2015	Independent Director	1. Audit Committee 2. Remuneration Committee (Chairman) 3. Nominating Committee	Present – Past three years –	Partner at Dentons LLP.
Ozi Amanat	08 May 2015	29 May 2015	Independent Director	1. Audit Committee 2. Remuneration Committee 3. Nominating Committee	Present – Past three years –	Partner and Founder of K2 Global
Mikael Stewen	29 July 2015	-	Independent Director	1. Audit Committee 2. Remuneration Committee 3. Nominating Committee	Present – Past three years –	General Manager and Sales Director of UPM-Kymmene Asia Pacific Pte Ltd (Singapore)

Principle 5 – Board Performance

A review of the Board's performance is conducted by the NC annually. On the recommendation of the NC, the Board has adopted an internal process for evaluating the effectiveness of the Board as a whole and the assessment of Board Committees. Each Board member will be required to complete an evaluation form. Based on the evaluation results, the NC Chairman will present his recommendations to the Board. The key objective of the evaluation exercise is to obtain constructive feedback from each Director to continually improve the Board's performance.

The NC will at the relevant time look into adopting guidelines for annual assessment of the contribution of each individual Director to the effectiveness of the Board.

The NC held one meeting during the year under review.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance.

Principle 6 – Access to Information

The Board is furnished with Board papers prior to Board meetings. These papers are issued in sufficient time to enable the Directors to obtain additional information or explanations from Management, if necessary. The Directors may communicate directly with the management team and Company Secretary on all matters whenever they deem necessary. The Company Secretary and/or the representative of the Company Secretary attends the Company's Board and Committee Meetings, and is responsible for ensuring that Board procedures are followed. The Company Secretary's role also includes assisting the Board of Directors in ensuring that the Company complies with listing rules and regulations where applicable. The appointment and removal of the Company Secretary are subject to the Board's approval.

The Directors, in carrying out their duties whether individually or as a group, have direct access to independent professional advisers to obtain advice, if necessary, at the Group's expense.

Principle 7 – Remuneration Committee

The RC now comprises the following three (3) Directors:

Mr. Anthony Williams	– Independent Director	(Chairman) (appointed on 5 May 2015)
Mr. Ozi Amanat	– Independent Director	(Member) (appointed on 28 December 2015)
Mr. Mikael Stewen	– Independent Director	(Member) (appointed on 29 July 2015)

The RC has written terms of reference that describe the responsibilities of its members. The duties of the RC are as follows: -

(a) review and recommend to the Board in consultation with Management and Chairman of the Board a general framework of remuneration and specific remuneration package for the Board and the key management personnel.

(b) review and consider whether executive directors and key management personnel should be eligible for benefits under long-term incentive schemes.

(c) take into account all factors to which it deems necessary in determining the remuneration framework. The objective of such framework shall be to ensure that the Board and key management personnel are provided with appropriate level of remuneration to attract, retain and motivate them to run the Company successfully; and are, in a fair and responsible manner, rewarded for their individual contributions to the Company.

(d) seek expert advice inside and/or outside the Company on remuneration of all directors, whenever there is a need.

(e) review the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

(f) review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company; and (b) key management personnel to successfully manage the Company.

(g) structure a significant and appropriate proportion of executive directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interests of shareholders and promote the long-term success of the Company.

(h) review and ensure the remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors. Non-executive directors should not be over-compensated to the extent that their independence may be compromised.

(i) oversee any major changes in benefit structure of executive directors and key management personnel throughout the Company.

(j) carry out such other duties as may be agreed to by the RC and the Board.

The RC's principal role includes reviewing and recommending to the Board an appropriate and competitive framework for remuneration for the Board and key executives of the Group, taking into account the performance of the Group as well as the directors and key executives in aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks, and ensuring that such remuneration levels are appropriate to attract, retain and motivate them to run the Group successfully. The RC's recommendations are made in consultation with the Chairman and are submitted for endorsement by the entire Board.

The Executive Chairman and each Executive Officer has a service agreement with the Company which can be terminated by either party with not less than two (2) months' notice in writing to the other party or by the Company paying the Executive an amount equal to the total salary for such individual's notice period in lieu of notice. Each of the Service Agreements may also be terminated by the Company if the Executive commits a breach of the Service Agreement, such as being convicted of any offence involving fraud or dishonesty or any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect the Executive's position in the Company), or being adjudicated bankrupt. There are no benefits (excluding any amount of salary due in lieu of notice) payable to the Executive Chairman and Executive Officers upon termination of their employment with the Company under the aforementioned grounds.

Each member of the RC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation in respect of his or her own remuneration. The payment of Directors' fees is subject to the approval of shareholders.

No Director participated in any decision concerning his or her own remuneration.

The Company did not engage a remuneration consultant in FY2015.

Principle 8 – Level and Mix of Remuneration

In reviewing the remuneration packages of an executive director or key management personnel, the RC takes into account the respective performance of the Group and the individual. In its deliberation, the RC takes into consideration, remuneration packages and employment conditions within the industry and benchmarked against comparable companies. The RC ensures that the level and structure of remuneration of the key management personnel remains aligned with the long-term interest and risk policies of the Group as well as attracts, retains and motivates them to provide good stewardship and management of the operations to meet the desired objective of the Company.

The Company has adopted a performance share scheme known as the 'YuuZoo Performance Share Scheme' ("**PSS**") and a share option scheme known as the 'YuuZoo Employee Share Option Scheme' ("**ESOS**"), which were approved by its shareholders at the Special General Meeting held on 23 July 2014. Both the PSS and ESOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Both the PSS and ESOS form an integral and important component of the compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and the Group.

Non-Executive Independent Directors are paid a basic fee for their responsibilities as Independent Directors and servicing various committees. Such fees are approved by the shareholders of the Company as a lump sum payment at the AGM.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Chairman and Key Executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Chairman and Key Executives in the event of such breach of fiduciary duties.

Principle 9 – Disclosure on Remuneration

In setting the remuneration package of the Executive Chairman, the Company makes a comparative study of the packages of executive directors in comparable industries and takes into account the performance of the Company.

Non-Executive Directors are paid a basic fee. The chairman of each of Board Committee is compensated for his or her additional responsibilities. Such fees are approved by the shareholders of the Company at the AGM of the Company.

As part of its review, RC covers all aspects of remuneration including, but not limited to directors' fees, salaries, allowances, bonuses, shares and benefits-in-kind.

After consideration of the RC's recommendation, the Board proposes the Director's fee as follows: for FY15, the Director's remuneration package for Board membership be at (a) USD 25,000; (b) USD 12,000 for the Chairman of the AC and USD 6,000 for its Members; and (c) USD 8,000 for the Chairman of the RC and NC respectively and USD 4,000 for its Members respectively.

The aggregate amount of termination, retirement and post-employment benefits that may be granted to the Directors, the CEO and top 5 key executives (who are not directors or CEO) is approximately S$35,438.

The remuneration band of the Directors and Key Executives for FY2015 and the various components of their remuneration in percentage terms are set out below.

REPORT ON CORPORATE GOVERNANCE

The details of the remuneration of the Directors and Key Executives are as follows:

	Fees	Salary	Bonus	Other Benefits	Total %
EVECUTIVE DIRECTORS S$250,000 – S$500,000					
Thomas Zilliacus Note 1	9%	91%	–	–	100%
NON-EXECUTIVE DIRECTORS Below S$250,000					
Nigel Laurie Lee Note 2	100%	–	–	–	100%
INDEPENDENT DIRECTORS					
Below S$250,000					
Chong Chee Hoong Note 3	100%	–	–	–	100%
Kee Poir Mok Note 4	100%	–	–	–	100%
Anthony Williams Note 5	100%	–	–	–	100%
Ozi Amanat Note 6	100%	–	–	–	100%
Mikael Stewen Note 7	100%	–	–	–	100%
CEO					
James Sundram Note 8	–	100%	–	–	100%
KEY EXECUTIVES S$250,000 – S$500,000					
Asim Qureshi	–	100%	–	–	100%
BELOW S$250,000					
Michael Parker Note 9		100%	–	–	100%
Linda Hoglund Note 11	–	–		–	100%
Thai Youn Fatt Note 12	–	100%	–	–	100%
Yoav Elgrichi	–	100%	–	–	100%
Sebastian Zilliacus	–	100%		–	100%
Sophia Tan Note 10	–	100%		-	100%

Note 1 : Mr. Thomas Zilliacus was appointed as an Executive Chairman and CEO with effect from 29 August 2014. He resigned as CEO with effect from 01 October 2015.

Note 2 : Mr. Nigel Laurie Lee retired as a Non Independent Non-Executive Director with effect from 29 May 2015.

Note 3 : Mr. Chong Chee Hoong resigned as an Independent Director with effect from 25 February 2015.

Note 4 : Mr. Kee Poir Mok was retired as an Independent Director with effect from 29 May 2015.

Note 5 : Mr. Anthony Williams was appointed as an Independent Director with effect from 25 February 2015.

Note 6 : Mr. Ozi Amanat was appointed as an Independent Director with effect from 8 May 2015.

Note 7 : Mr. Mikael Stewen was appointed as an Independent Director with effect from 29 July 2015.

Note 8 : Mr. James Sundram was appointed as CEO with effect from 01 October 2015.

Note 9 : Mr. Michael Parker was appointed as a Chief Financial Officer with effect from 29 May 2015.

Note 10 : Ms. Sophia Tan was appointed as the Head of Legal with effect from 03 August 2015.

Note 11 : Ms. Linda Hoglund was appointed as a Chief Financial Officer with effect from 3 December 2014 and resigned as a Chief Financial Officer with effect from 22 January 2015.

Note 12 : Mr. Thai Youn Fatt was appointed as a Group Financial Controller with effect from 23 January 2015.

For competitive and confidentiality reasons, the Company is not disclosing the details remuneration of each Director and Key Executive. The Company is instead disclosing the remuneration in bands of S$250,000.

For the financial year ended 31 December 2015 the aggregate amount of the remuneration paid to the top 5 key executives (who are not directors or the CEO) is approximately S$ 946,757.

Save for Mr. Sebastian Zilliacus, a nephew of Mr. Thomas Zilliacus who is currently employed as Senior Vice President – Partnership Management of YuuZoo Now! Pte. Ltd., none of the employees whose remuneration exceeds S$50,000 is an immediate family member of the Directors.

Details of Employee Share Option Scheme ("ESOS") and Performance Share Scheme ("PSS")

The ESOS and PSS which were approved by the shareholders of the Company at the Special General Meeting of the Company held on 23 July 2014 was designed to provide an opportunity strictly only for employees of the Company and its subsidiaries (including Group Executive Directors) (the "**Group Employees**") and non-executive Directors of the Group ("**Group Non-Executive Directors**") who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company. The Company believes that the ESOS and PSS will be more effective than cash bonuses in motivating the Group Employees to put in their best efforts and/or work towards pre-determined targets. The ESOS and PSS are intended to be broad-based and will serve to enhance the Group's overall compensation packages and serve as an additional and flexible incentive tool.

During the financial year ended 31 December 2015, the Company has granted 12,980,894 options under the ESOS.

The ESOS and PSS are administered by the RC, whose members are given in page 9 of this Annual Report. Further details of the ESOS and PSS can be found in pages 32 and 33 of the Directors' Statement.

Details of the ESOS and PSS can be found in the Director's report of the Annual Report.

Principle 10 - Accountability

The Board provides shareholders with financial statements for the first three quarters and full financial year within the timeframe in line with Rule 705 of the Listing Manual of SGX-ST. In presenting the annual financial statements and announcements of financial results to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Company and Group's performance, position and prospects.

The Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a quarterly basis. The AC reviews the financial statements and reports to the Board for approval. The Board authorises the release of the results to the SGX-ST and the public via SGXNET.

The Board also provides negative assurance confirmation to shareholders for the quarterly financial statements in accordance with Rule 705(5) of the Listing Manual of SGX-ST.

Principle 11 – Risk Management and Internal Controls

The Board is responsible for ensuring that there is a system of internal financial controls, operational, compliance and information technology controls, and risk management policies and reviewing its adequacy and effectiveness. The Management of each business unit is responsible for internal controls and for ensuring compliance therewith, and the Board shall oversee Management's compliance with the same. The AC assists the Board in discharging its internal control review responsibilities and evaluates annually the effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls and risk management. The Board takes continuous effort to embed internal control into the operations of the businesses and to deal with area for improvement which comes to the attention of the Management and the Board.

Procedures are in-place to ensure that all IPTs are dealt with on an arm's length basis. All such transactions, if any, are subject to review by the AC quarterly to ensure that the procedures adopted are complied with.

In line with the Code and based on the reports of the independent auditors and the review conducted by the Management, the Board had adopted an "**Assurance Statement**" confirming that the financial records of the Company have been properly maintained, the Company's financial statements give a true and fair view of the Company's operations and finances and an effective risk management and internal control systems have been put in place. The Assurance Statement was be signed by the CEO and the Group CFO. The Board had received the duly signed Assurance Statement for FY2015.

In view of the above and in the light of the current activities of the Group and based on the work performed by the independent auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls in place are adequate and effective for FY2015 to provide reasonable assurance of achieving its internal control objectives and to address financial, operational, compliance and information technology controls, and risk management systems.

Principle 12 – Audit Committee

The AC comprises the following Directors as at the date of this Report:

Mr. Anthony Williams	– Independent Director	(Member) (appointed on 5 May 2015)
Mr. Ozi Amanat	– Independent Director	(Member) (appointed on 8 May 2015)
Mr. Mikael Stewen	– Independent Director	(Member) (appointed on 29 July 2015)

The Members collectively have many years of experience in accounting, business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

The Members of the AC carried out their duties in accordance with the terms of reference which include the following:

(a) to review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) to review and report to the Board the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls as well as risk management;

(c) to review the effectiveness of the Company's internal audit function;

(d) to review the scope and results of the external audit, and the independence and objectivity of the independent auditors;

(e) to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the independent auditors, and approving the remuneration and terms of engagement of the independent auditors.

(f) to meet with the independent auditors without the presence of Management, at least annually;

(g) to review the independence of the independent auditors annually and ensure that the Company's Annual Report states (i) the aggregate amount of fees paid to the independent auditors for that financial year, and (ii) a breakdown of the fees paid in total for audit and non-audit services respectively, or contains an appropriate negative statement. Where the external auditors also supply a substantial volume of non-audit services to the Company, the AC keeps the nature and extent of such services under review, seeking to maintain objectivity;

(h) to review the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

(i) to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(j) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting / auditing firm or corporation to which the internal audit function is outsourced;

(k) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any legislation, rule or regulation which has or is likely to have a material impact on the Group operating results and/or financial position;

(l) to review all IPTs to ensure that they are on an arm's length basis.

The AC is also authorised to investigate any matter within its terms of reference. It has full access to and the co-operation of Management, and the full discretion to invite any director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly.

During the year, the AC met with the auditors, together with the Executive Chairman without the presence of any other parties, to review any matters that might be raised privately.

The Company appointed Moore Stephens LLP as its auditor during FY2015.

The AC noted that there were no non-audit services provided by Moore Stephens LLP in FY2015. The aggregate amount of audit fee paid to Moore Stephens LLP for FY2015 is SGD280,000.

Moore Stephens LLP ("**MS**") had indicated to the Audit Committee and the Board of its intention not to seek re-appointment as auditor of the Company at the forthcoming AGM.

The AC has commenced the process of selecting and appointing a replacement for MS who has specific expertise in early stage digital media and e-commerce businesses. The AC, mindful of the specialist nature of the issues faced by the Company, will be extending its search for a replacement auditor to include offshore auditors that can demonstrate the relevant experience and client base. The Company will appoint new auditors as soon as practicable at a General Meeting of shareholders.

The Group does not appoint different auditors for its significant subsidiaries or associated companies.

The Company is in compliance with Rule 712 and Rule 715 of the Listing Manual of SGX-ST in relation to its independent auditor, as the subsidiary companies and associated companies of the Company were audited by Moore Stephens LLP for the purpose of preparation of the consolidated financial statements of the Group.

Each independent director has confirmed his independence in accordance with the guidelines set out in the Code.

The independent auditors provide regular updates and briefing to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Management has put in place a whistle-blowing policy duly endorsed by the AC and approved by the Board, under which employees of the Group can raise concerns over any possible improprieties in relation to financial reporting and other matters. No complaints were received pursuant to the whistle-blowing policy, during the year under review.

Principle 13 – Internal audit

The Board recognises the importance of maintaining a sound system of internal control processes to safeguard shareholder's investment and the Group's business and assets. The Board has oversight for reviewing and monitoring the significant internal controls of the Group which remains a primary responsibility of Management. The Company is in the process of appointing an independent internal auditor.

Principle 14 – Shareholder Right and Responsibilities
Principle 15 – Communications with the Shareholders

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements. The Company strives for timeliness and transparency in its disclosures on matters that have a material impact on the Company to the shareholders and the public. In this respect, the Company announces its financial results to shareholders on a quarterly basis. The Company does not practice selective disclosure.

Information is disseminated / made available to shareholders through:

(a) SGXNet announcements and news releases;

(b) Website of the Company; and

(c) Annual Reports.

The Company does not have a specific dividend policy. Any dividend declaration will be communicated to the shareholders via announcement through SGXNET and its corporate website.

There was no dividend declared for the financial year ended 31 December 2015 as the Company wishes to reserve funds for the growth of the Company.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meeting.

Principle 16 – Conduct of Shareholder Meetings

All shareholders receive reports or circulars of the Company including notice of general meeting by post within the mandatory period. Notice of general meeting is announced through SGXNET and published in the Business Times within the same period.

All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. The proxy form is sent with notice of general meeting to all shareholders.

The Bye-Laws allow a member of the Company to appoint not more than two (2) proxies to attend and vote on his behalf at general meeting through proxy forms deposited 48 hours before the general meeting. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

All Directors (including the chairman of each Board Committee), Management, representatives of the Company Secretary, independent auditors and legal advisors (if necessary), will endeavour to attend the general meetings. The procedures of general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication is encouraged on matters relating to the Company. To enhance shareholder participation, the Group puts all resolutions at general meetings to vote by poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meetings. The polling results are also announced to the SGX-ST and posted on the Company's website after the meetings.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management, and makes these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Company will review its Bye-Laws from time to time and make such amendments to the Bye-Laws to be in line with the applicable requirements or rules and regulations governing the Continuing Listing obligations of the Listing Manual of the SGX-ST.

ADDITIONAL INFORMATION

DEALINGS IN SECURITIES
[SGX-ST's Listing Manual, Rule 1207(19)]

The Board is aware of the guidelines of the corporate disclosure policy and the requirements for continuing disclosure as set out in the Listing Manual of the SGX-ST. The Board has the responsibility to ensure that the Directors and employees are prohibited from securities dealings whilst they are in possession of price-sensitive information.

REPORT ON CORPORATE GOVERNANCE

The Company issues circulars to its Directors, principal officers and relevant officers who have access to unpublished material price-sensitive information to remind them of the aforementioned prohibition and the requirement to report their dealings in shares of the Company. The Company, Directors and employees are also prohibited from dealing in the securities of the Company during the period commencing two weeks before the announcement of the Company's first three quarter results and one month before the announcement of the Company's full year results and ending on the date of the particular announcement.

The directors and executives are also expected to observe insider trading laws at all times, even when dealing in securities within permitted trading times. In addition, the directors, Management and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations.

RISK MANAGEMENT
[SGX-ST's Listing Manual, Rule 1207(4)]

The Company regularly reviews and improves its business on the operational level by taking into account the risk management perspective. The Company seeks to identify areas of significant business risks as well as appropriate measures through which to control and mitigate these risks. The Company reviews all significant control policies and procedures, and highlights all significant matters to the AC.

INTERESTED PERSON TRANSACTIONS
[SGX-ST's Listing Manual, Rule 907]

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs, if any, will be transacted on normal terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Details of the IPTs for financial year ended 31 December 2015 by the Company as required pursuant to Rule 907 of the Listing Manual:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Sandbox Global Company Ltd (Subsidiary of Mobile FutureWorks Inc.)	S$225,973	0
Circle of Champions Inc. (Subsidiary of Mobile FutureWorks Inc.)	S$707,250	0

Sandbox Global Company Ltd and Circle of Champions Inc. (both subsidiaries of Mobile FutureWorks Inc.) are deemed to be interested persons.

MATERIAL CONTRACTS
[SGX-ST's Listing Manual, Rule 1207(8)]

There were no material contracts involving the interests of any director or controlling shareholder of the Company, not being contracts entered into in the ordinary course of business, entered into by the Company during the period under review, except as disclosed in the audited financial statements.

Use of net proceeds AS AT 31 DECEMBER 2015

The Company raised net proceeds of S$18.4 million from the compliance placement through the issuance of 50 million shares during the RTO in 2014. The Company utilised the proceeds as follows:

Purpose	Net proceeds post payment of RTO fees $'mil	Amount utilised in FY2014 $'mil	Amount utilised in FY2015 $'mil	Balance amount $'mil
Development of partnerships	9.7	0.6	0.2	8.9
Investments in growth opportunities	4.8	0.0	1.5	3.3
General corporate expenses and working capital purposes	3.9	6.5	6.5	(9.1)
Total	**18.4**	**7.1**	**8.2**	**3.1**

The total amount utilised as at 31 December 2015 is S$15.3 The utilisation is in accordance with the intended use of proceeds as disclosed in the Offer Information Statement lodged with the Monetary Authority of Singapore on 26 August 2014.

Based on information on the latest practicable date prior to the printing of this report, being 5 April 2016.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Directors of YuuZoo Corporation Limited (the "**Company**") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the board of directors of the Company ("**Board**"),

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 38 to 97 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

The directors of the Company ("**Director(s)**") in office at the date of this statement are:

Mr. Thomas Henrik Zilliacus	
Mr. Anthony Williams	(appointed from 25 February 2015)
Mr. Ozi Amanat	(appointed from 8 May 2015)
Mr. Mikael Stewen	(appointed from 29 July 2015)

2. Arrangements to enable Directors to acquire shares or debentures

Except as described under 'share options' in this statement neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Company, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Shareholdings registered in the name of directors or nominee		Shareholdings in which directors are deemed to have an interest	
Name of Directors	**At the beginning of the financial year**	**At the end of the financial year**	**At the beginning of the financial year**	**At the end of the financial year**
The Company				
YuuZoo Corporation Limited				
Number of ordinary shares				
Mr. Thomas Henrik Zilliacus	7,696,677	7,696,677	168,283,072	171,755,362
Share options				
Mr. Thomas Henrik Zilliacus*	–	6,320,759	–	–

* No options were exercised during the period.

3. Directors' interests in shares or debentures *(cont'd)*

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2016 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2015.

4. Share options

As disclosed in the Reverse Takeover ("**RTO**") circular dated 24 June 2014 and approved at a Special General Meeting on 23 July 2014, the Board is allowed to issue share options for Employee Share Option Scheme (the "**YuuZoo ESOS**") and Performance Share Scheme (the "**YuuZoo PSS**"). The issuance of the YuuZoo ESOS, YuuZoo PSS and any other share options shall not exceed 15% of the issued share capital of the Company excluding treasury shares.

As at 31 December 2015, no YuuZoo PSS options have been granted by the Company.

The YuuZoo ESOS contemplates the award of options that are exercisable into shares and is intended to provide an opportunity for employees of the Company and its subsidiaries including Executive Directors and Non-Executive Directors of the Group who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company.

The Board has offered to employees of the Company and subsidiaries, YuuZoo ESOS options as follows:

Details of the grant of options are as follows:

(a)	Date of Grant	:	14 November 2014
(b)	Exercise price of options granted	:	SGD 0.25 per share
	The exercise price is equal to a 11-20% discount of the average of the last dealt prices for the shares on the SGX-ST for the three (3) consecutive trading days immediately preceding the date of grant of the options, which date was 14 November 2014.		
(c)	Number of options granted to employees	:	15,669,640
(d)	Market price of Company's shares on the date of grant	:	SGD 0.32
(e)	Number of options granted to directors and controlling shareholders (and their associates)	:	6,320,759 (approved at the 2015 AGM)
(f)	Vesting Period	:	Two-third of the options shall vest on the date that is 24 months from the date of grant; the remaining one-third of the options shall vest on the date that is 36 months from the date of grant
(g)	Options granted as % of the existing issued share capital of the Company	:	3.47%

4. Share options *(cont'd)*

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

(a)	Date of Grant	:	28 August 2015
(b)	Exercise price of options granted	:	SGD 0.14 to 0.25 per share
(c)	Number of options granted to employees	:	6,980,894
(d)	Market price of Company's shares on the date of grant	:	SGD 0.14
(e)	Number of options granted to directors and controlling shareholders (and their associates)	:	Nil
(f)	Vesting Period	:	1 to 2 years
(g)	Options granted as % of the existing issued share capital of the Company	:	1.10%

(a)	Date of Grant	:	01 October 2015
(b)	Exercise price of options granted	:	SGD 0.13 per share
	The exercise price is issued at a 11-20% discount of the average of the last dealt prices for the shares on the SGX-ST for the three (3) consecutive trading days immediately preceding the date of grant of the options, which date was 01 October 2015.		
(c)	Number of options granted to employees	:	6,000,000
(d)	Market price of Company's shares on the date of grant	:	SGD 0.16
(e)	Number of options granted to directors and controlling shareholders (and their associates)	:	Nil
(f)	Vesting Period	:	2 to 3 years
(g)	Options granted as a % of the existing issued share capital of the Company	:	0.95%

5. Audit committee

The Audit Committee ("**AC**") members at the date of this report are Mr. Anthony Williams, Mr. Ozi Amanat and Mr. Mikael Stewen.

The AC discharge its duties in accordance with the listing manual of the SGX-ST ("**Listing Manual**"). The AC shall also be guided by the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committees in Singapore (Second Edition), and any such codes or regulations as may be applicable from time to time.

5. Audit committee *(cont'd)*

The principal responsibility of the AC is to assist the Board in fulfilling its oversight responsibilities. Areas of review by the AC include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Listing Manual;
- the appropriateness of quarterly and full year announcements and reports;
- the adequacy of internal controls and evaluation of adherence to such controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions ("**IPTs**");
- the findings of internal investigations, if any;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

The AC also reviews the policy and arrangements by which employees of the Company and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up to be taken. Where the AC becomes aware of any improprieties, the AC shall discuss such matters with the external auditors and, at an appropriate time, report the matter to the Board. Where appropriate, the AC shall also commission internal investigations into such matters. Pursuant to this, the AC has introduced a whistle blowing policy where employees may raise improprieties to the AC chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

The AC met five times in 2015. Specific functions performed during the year included reviewing the scope of work and strategies of external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The AC also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the AC prior to the submission to the Board for adoption. The AC also met with the external auditors, without the presence of management, to discuss any issues of concern with them.

5. Audit committee *(cont'd)*

The AC has, in accordance with Chapter 9 of the Listing Manual, reviewed the requirements for approval and disclosure of IPTs, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for IPTs and, reviewed IPTs.

On behalf of the Board of Directors,

Thomas Henrik Zilliacus Ozi Amanat

Singapore
11 May 2016

INDEPENDENT
AUDITORS' REPORT

TO THE MEMBERS OF YUUZOO CORPORATION LIMITED AND ITS SUBSIDIARIES

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of YuuZoo Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**"), as set out on pages 38 to 97, which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As stated in Notes 3.1(a) to the financial statements, the Group reported revenue of SGD49,126,000 for the financial year ended 31 December 2015, and as of that date, the Group has recognised assets available for sale of SGD50,423,000 from franchise sales based on valuations obtained from independent third parties.

Due to various reasons including the lack of comparable business models, lack of an operating track record, future economic uncertainty, and the sensitivity of the valuation models to underlying parameters, we have been unable to obtain sufficient information to satisfy ourselves as to whether the valuation models, estimates and assumptions used for the fair value estimates meet the revenue recognition criteria in relation to probability of future economic benefits and its reliable measurement. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements was necessary.

Additionally, as disclosed in Note 3.2(ii) to the financial statements, included in trade and other receivables is an amount of SGD17,091,000. The recoverability of this amount is dependent on the value of assets proposed to be provided by the debtor in settlement of the debt. The value of these assets is dependent on certain estimates and assumptions in relation to future performance of these assets. We were unable to obtain sufficient information to ascertain the appropriateness and reliability of such estimates and assumptions, nor were we able to obtain sufficient appropriate audit evidence with respect to the recoverability of such receivables through alternative means. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements was necessary.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The financial statements of the Group and the Company for the year ended 31 December 2014 were audited by another firm of auditors whose report dated 4 May 2015 expressed an unmodified opinion on those financial statements.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
11 May 2016

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group			Company		
		2015 SGD'000	2014 SGD'000 (Restated)	1.1.2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)	1.1.2014 SGD'000 (Restated)
Non-current assets							
Plant and equipment	4	290	97	76	–	–	–
Intangible assets	5	11,953	14,438	7,240	1,151	–	–
Investments in subsidiaries	6	–	–	–	325,001	301,431	–
Assets available for sale	7	54,989	–	–	–	–	–
Trade and other receivables	8	1,421	–	15,337	–	–	–
		68,653	14,535	22,653	326,152	301,431	–
Current assets							
Trade and other receivables	8	34,714	32,491	22,425	6,796	6,671	–
Amounts due from subsidiaries	9	–	–	–	12,785	2,606	54
Prepayments		231	58	24	132	–	436
Cash and bank balances	10	3,748	12,432	3,122	628	11,439	120
		38,693	44,981	25,571	20,341	20,716	610
Less:							
Current liabilities							
Trade and other payables	11	11,192	2,822	20,913	1,524	225	578
Deferred revenue	12	–	421	365	–	–	–
Borrowings	13	–	–	–	–	–	500
		11,192	3,243	21,278	1,524	225	1,078
Net current assets/(liabilities)		27,501	41,738	4,293	18,817	20,491	(468)
Net assets/(liabilities)		96,154	56,273	26,946	344,969	321,922	(468)
Capital and reserves							
Share capital	14	80,172	79,855	151	80,172	79,855	29,977
Share premium	14	23,182	22,532	19,315	253,165	252,998	44,644
Other reserves	15	9,609	2,946	91	45,546	20,103	2,006
(Accumulated losses)/ Retained earnings		(16,809)	(49,706)	8,175	(33,914)	(31,034)	(77,095)
Equity attributable to owners of the parent		96,154	55,627	27,732	344,969	321,922	(468)
Non-controlling interests		–	646	(786)	–	–	–
Total equity		96,154	56,273	26,946	344,969	321,922	(468)

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 SGD'000	Group 2014 SGD'000 (Restated)
Revenue	16	90,061	47,766
Other item of income			
Gain on liquidation of subsidiaries	23	–	225
Other income	17	346	1,824
		90,407	49,815
Items of expense			
Cost of services		(35,156)	(37,056)
Amortisation of intangible assets	5	(10,396)	(6,861)
Depreciation of plant and equipment	4	(90)	(39)
Employee benefits expense	18	(6,172)	(3,162)
Other expenses		(5,858)	(3,942)
Finance costs	19	–	(22)
Other non-recurring expense	20	–	(56,453)
Total expenses		(57,672)	(107,535)
Profit/(Loss) before income tax	21	32,735	(57,720)
Income tax expense	22	–	–
Profit/(Loss) for the financial year		32,735	(57,720)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, net of tax		5,263	2,879
Other comprehensive income for the financial year, net of tax		5,263	2,879
Total comprehensive income/(loss) for the financial year		37,998	(54,841)
Profit/(Loss) for the financial year attributable to :			
Owners of the parent		32,735	(57,714)
Non-controlling interests		–	(6)
		32,735	(57,720)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		37,998	(54,835)
Non-controlling interests		–	(6)
		37,998	(54,841)
Earnings/(Loss) per share	26		
Basic (cents/share)		5.18	(11.24)
Fully diluted (cents/share)		4.96	(11.24)

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital SGD'000	Share premium SGD'000	Foreign currency translation account SGD'000	Share option reserve SGD'000	Retained earnings/ (Accumulated losses) SGD'000	Total equity attributable to owners of the parent SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Balance at 1 January 2015 (Restated)		79,855	22,532	2,864	82	(49,706)	55,627	646	56,273
Profit for the financial year		–	–	–	–	32,735	32,735	–	32,735
Other comprehensive income for the financial year									
Exchange difference on translation		–	–	5,263	–	–	5,263	–	5,263
Total comprehensive income for the financial year		–	–	5,263	–	32,735	37,998	–	37,998
Reclassification of NCI and shareholder equity		–	483	1	–	162	646	(646)	–
Contributions by owners of the parent									
Issuance of shares during the year	14	317	167	–	–	–	484	–	484
Employee share option scheme	18	–	–	–	1,399	–	1,399	–	1,399
Total transactions with owners of the parent		317	167	–	1,399	–	1,883	–	1,883
Balance at 31 December 2015		80,172	23,182	8,128	1,481	(16,809)	96,154	–	96,154

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital SGD'000	Share premium SGD'000	Foreign currency translation account SGD'000	Share option reserve SGD'000	Retained earnings/ (Accumulated losses) SGD'000	Total equity attributable to owners of the parent SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Balance at 1 January 2014 (Restated)		151	19,315	(15)	106	8,175	27,732	(786)	26,946
Loss for the financial year		–	–	–	–	(57,714)	(57,714)	(6)	(57,720)
Other comprehensive income for the financial year									
Exchange difference on translation		–	–	2,879	–	–	2,879	–	2,879
Total comprehensive income/(loss) for the financial year		–	–	2,879	–	(57,714)	(54,835)	(6)	(54,841)
Liquidation of subsidiaries		–	–	–	–	–	–	790	790
Issue of shares and adjustment at Yuuzoo Corporation BVI	14	6,687	(476)	–	(106)	(167)	5,938	648	6,586
Contributions by owners of the parent									
Issue of shares due to reverse takeover ("RTO")	14	49,797	28,269	–	–	–	78,066	–	78,066
Realignment of share capital to effect the RTO	14	23,220	(23,220)	–	–	–	–	–	–
Share issue expenses	14	–	(1,356)	–	–	–	(1,356)	–	(1,356)
Employee share option scheme	18	–	–	–	82	–	82	–	82
		73,017	3,693	–	82	–	76,792	–	76,792
Total transactions with owners of the parent		79,704	3,217	–	(24)	(167)	82,730	1,438	84,168
Balance at 31 December 2014		79,855	22,532	2,864	82	(49,706)	55,627	646	56,273

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 SGD'000	Group 2014 SGD'000 (Restated)
Operating activities			
Profit/(Loss) before income tax		32,735	(57,720)
Adjustments for:			
Depreciation of plant and equipment	4	90	39
Amortisation of intangible assets	5	10,396	6,861
Non-cash revenue generated	5, 7	(54,597)	(11,762)
Write off of trade receivables	8	978	365
Interest income	17	(106)	(528)
Share based compensation	18	1,399	82
Deferred revenue realised		(441)	–
Finance cost	19	–	22
Reversal of share option expenses		–	(106)
Share based expense related to RTO	20	–	51,128
Gain on liquidation of subsidiaries	23	–	(225)
Operating cash flows before working capital changes		(9,546)	(11,844)
Working capital changes:			
Trade and other receivables		(2,140)	12,557
Prepayments		(164)	(32)
Trade and other payables		8,052	(16,036)
Net cash used in operating activities		(3,798)	(15,355)
Investing activities			
Purchase of plant and equipment	4	(277)	(61)
Development costs incurred/purchase of intangible asset	5	(963)	(1,709)
Asset available for sale acquired		(4,448)	–
Cash and bank balances acquired through RTO	20	–	2,276
Net cash outflow from liquidation/disposal of subsidiary	23	–	(182)
Net cash from/(used in) investing activities		(5,688)	324
Financing activities			
Gross proceeds from issuance of shares	14	–	25,000
Share issue expenses	14	–	(1,356)
Net cash from financing activities		–	23,644
Net change in cash and cash equivalents		(9,486)	8,613
Cash and cash equivalents at the beginning of the financial year		12,432	3,122
Net effect of exchange differences		802	697
Cash and cash equivalents at the end of the financial year	10	3,748	12,432

The accompanying notes form an integral part of the financial statements.

1. Corporate information

1.1 General information

YuuZoo Corporation Limited (the "**Company**") (Registration Number: 36658) was incorporated in Bermuda on 22 March 2005 under the Bermuda Companies Act and is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). With effect from 2 September 2014, the Company changed its name from 'W Corporation Limited' to 'YuuZoo Corporation Limited'.

The principal place of business of the Company is at 20 Science Park Road #03-11/14, Teletech Park Science Park II, Singapore 117674.

The registered office of the Company is at Canon's Court 22 Victoria Street, Hamilton, HM 12 Bermuda.

The principal activity of the Company is that of investment holding, and through its subsidiaries, it is in the business of social networking, e-commerce, payments and gaming.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors on the date of the Directors' statement.

1.2 Reverse takeover exercise ("RTO")

On 4 October 2013, the Company entered into a conditional sale and purchase agreement ("**SPA**") with a group of individuals and entities (collectively the "**Vendors**"), independent third parties. The SPA was amended on 12 June 2014. Pursuant to the SPA, the Company agreed to take over the entire issued and paid-up share capital of YuuZoo Corporation BVI ("**YuuZoo BVI**"), a private limited company incorporated in the British Virgin Island from Vendors.

The Company and the Vendors had agreed that the consideration payable by the Company for the takeover of the relevant shares shall be an aggregate sum of SGD490,880,000 (the "**Consideration**") The Consideration shall be satisfied on completion of the SPA by way of allotment and issue of an aggregate sum of 490,880,000 new ordinary shares of the Company ("**Consideration Shares**") each credited as fully paid-up to the Vendors at an issue price of SGD0.58 per Consideration Share to the Vendors.

The RTO was completed on the 29 August 2014, following which:

(a) 481,859,711 shares were issued to YuuZoo BVI participating shareholders

(b) 9,020,289 shares were issued to YuuZoo BVI non-participating shareholders and option holders and are held in escrow by Morgan Lewis Stamford, LLC

(c) 22,060,000 shares were issued to different advisors in accordance with the engagement letters duly signed by the Company

(d) 50,000,000 placement shares pursuant to completion of the Compliance placement.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Singapore Financial Reporting Standards ("**FRS**") including related interpretation of FRS ("**INT FRS**"). The financial statements are presented in Singapore dollar and all values presented are rounded to the nearest thousand (SGD'000) as indicated. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the Management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the Management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the financial year, the Group and the Company adopted the new or revised FRS and INT FRS that are relevant to their operations and effective for the current financial year. Changes to the Group's and the Company's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years except as detailed below.

Annual Improvements to FRSs (January 2014)

The Group has adopted the amendments to FRS 108 Operating Segments included in the Annual Improvements to FRSs (January 2014) in the current year. The amendment is applicable for annual periods beginning on or after 1 July 2014. This annual improvement requires entities to disclose judgements made by Management in applying the aggregation criteria set out in paragraph 12 of FRS 108 Operating Segments. The Group has aggregated several operating segments into a single operating segment and made the required disclosures in Note 27 in accordance with the amendments. The application of other amendments has had no impact on the disclosures or amounts recognised in the Group's consolidated financial statements.

2. Summary of significant accounting policies *(cont'd)*

2.1 Basis of preparation of financial statements *(cont'd)*

FRS and INT FRS issued but not yet effective

As at the date of the authorisation of these financial statements, the Group and the Company have not adopted the following FRS and INT FRS that have been issued but are not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 7 Statement of Cash Flows	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company expect that the adoption of the above FRS and INT FRS in future periods, if applicable, will have no material impact on the financial statements in the period of initial adoption, except as discussed below.

Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments provide clarification on various aspects of financial statements presentation. Key clarifications relate to the interpretation of materiality requirements in FRS, extent of aggregation and disaggregation of financial information presented in the primary financial statements, presentation of sub-totals, and ordering of notes to the financial statements. The amendments also clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss. The amendment will have no impact on the Group accounting policies, but may result in additional disclosures.

Amendments to FRS 7 Statement of Cash Flows

The amendments require new disclosure about changes in liabilities arising from financing activities in respect of:

(a) changes from financing cash flows;

(b) changes arising from obtaining or losing control of subsidiaries or other businesses;

(c) the effect of changes in foreign exchange rates;

(d) changes in fair values; and

(e) other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities.

2. Summary of significant accounting policies *(cont'd)*

2.1 Basis of preparation of financial statements *(cont'd)*

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments - fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in the credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for derecognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

2. Summary of significant accounting policies *(cont'd)*

2.1 Basis of preparation of financial statements *(cont'd)*

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 January 2018 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.2 Basis of consolidation

Pursuant to the completion of the RTO, the acquisition of 100% of YuuZoo BVI has resulted in the shareholders of YuuZoo Corporation Limited holding an approximately 98.2% interest in the Company. The Company or the Group prior to the RTO ("**Legal Parent**") does not meet the definition of a business under FRS103 Business Combination and as such the RTO cannot be accounted for as a reverse acquisition. Accordingly, the Takeover has been accounted for as a share-based payment in accordance with FRS102 Share· based Payment and the consolidated financial statements of the Legal Parent are accounted as a continuation of the financial statements of YuuZoo BVI ("**Legal Subsidiary**"), together with a deemed issue of shares equivalent to the shares held by the former shareholders of the Legal Parent and a re-capitalisation of the equity of YuuZoo BVI. Accordingly, the comparative financial information of the Group is that of the comparative financial information of YuuZoo BVI.

Because the consolidated financial statements represent a continuation of the financial statements of YuuZoo BVI, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in FRS 103 Business Combination have been applied:

- fair value adjustments arising at acquisition were made to YuuZoo Corporation Limited assets and liabilities, not those of YuuZoo BVI;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that YuuZoo BVI would have needed to issue to acquire the same shareholding percentage in YuuZoo Corporation Limited at the acquisition date;

2. Summary of significant accounting policies *(cont'd)*

2.2 Basis of consolidation *(cont'd)*

- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of YuuZoo BVI;
- a share-based payment transaction arises whereby YuuZoo BVI is deemed to have issued shares in exchange for the net assets of YuuZoo Corporation Limited (together with the listing status of YuuZoo Corporation Limited). The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in profit or loss as a listing expense;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of YuuZoo Corporation Limited, including the equity instruments issued by YuuZoo Corporation Limited to effect the acquisition;
- the results for the year ended 31 December 2014 comprise the consolidated results for the year of YuuZoo BVI together with the results of YuuZoo Corporation Limited from 29 August 2014; and
- the comparative results represent the consolidated results of YuuZoo BVI only.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any, in the Company's separate financial statements.

Subsidiaries are consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

2. Summary of significant accounting policies *(cont'd)*

2.2 Basis of consolidation *(cont'd)*

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2.3 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

2. Summary of significant accounting policies *(cont'd)*

2.3 Plant and equipment *(cont'd)*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful lives as follows:

	Years
Furniture and fittings	5
Office equipment	3
Computers	3
Renovation	5

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

2.4 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Summary of significant accounting policies *(cont'd)*

2.4 Intangible assets *(cont'd)*

User Data

The Group entered into a purchase agreement to acquire the data for users who are registered users of the games developed by the supplier. The Group has the right to market any services to those registered users. According to FRS 38· Intangible Assets, this data was recognised based on the cost approach.

User data is amortised to profit or loss using the straight-line method over 4 years, which is the shorter of their estimated useful lives and periods of contractual rights. Such intangible assets will be carried at cost less accumulated amortisation or any impairment.

Internally-generated intangible assets/ development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, any only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately, over a useful life of 3 years.

Advertising rights

Advertising rights are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 2 to 3 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2. Summary of significant accounting policies *(cont'd)*

2.4 Intangible assets *(cont'd)*

Advertising rights *(cont'd)*

Certain intangible assets of the Group have been acquired in exchange for non-monetary assets, or a combination of monetary and non-monetary assets. The cost of such an intangible asset is measured at fair value unless:

(a) the exchange transaction lacks commercial substance or

(b) the fair value of neither the asset received nor the asset given up is reliably measurable.

The fair value of an intangible asset is reliably measurable if

(a) the variability in the range of reasonable fair value measurements is not significant for that asset or

(b) the probabilities of the various estimates within the range can be reasonably assessed and used when measuring fair value.

If the Group is able to measure reliably the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure cost unless the fair value of the asset received is more clearly evident.

Where the acquired asset cannot be measured at fair value, its cost is measured at the carrying amount of the asset given up.

The amortisation period and amortisation method of intangible assets are reviewed at least at the end of each financial year. The effects of any revisions are recognised in profit or loss when the changes arise.

Games

Games are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 3 years, which is their estimated useful lives.

2.5 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups of assets. Impairment loss is recognised in profit or loss, unless it reverses a previous revaluation, credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies *(cont'd)*

2.5 Impairment of non-financial assets *(cont'd)*

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment loss are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.6 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

2. Summary of significant accounting policies *(cont'd)*

2.6 Financial assets *(cont'd)*

(a) *Classification* *(cont'd)*

Loans and receivables *(cont'd)*

They are presented as current assets, except for those expected to be realised later than 12 months after the reporting period which are presented as non-current assets.

Loans and receivables are presented as 'trade and other receivables', 'amount due from subsidiaries' and 'cash and bank balances' on the statements of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or Management intends to dispose of the assets within 12 months after the reporting period.

(b) *Recognition and derecognition*

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

Assets available for sale predominantly comprise unquoted shares in the Company's franchisee companies. These shares are obtained in consideration for the Company entering into a franchise agreement and providing the franchisee with the infrastructure necessary to conduct their e-commerce operations.

2. Summary of significant accounting policies *(cont'd)*

2.6 Financial assets *(cont'd)*

(c) Initial measurement (cont'd)

Initially these assets are recorded at fair value, as determined by assessment of the discounted cash flow of the franchise business. The valuation exercise for these assets has been performed by a 'big four' accounting firm and subsequently that valuation has been independently validated by CharFi Valuation Services, a US based expert valuer of small and medium cap technology based businesses

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income.

Gains and losses arising from changes in fair value of available-for-sale debt investments are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses which are recognised directly in profit or loss.

Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences, with the exception of impairment losses.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Summary of significant accounting policies *(cont'd)*

2.6 Financial assets *(cont'd)*

(e) Impairment (cont'd)

Loans and receivables *(cont'd)*

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Available-for-sale financial assets

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that an available-for-sale equity investment is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on available-for-sale equity investments are not reversed through profit or loss.

2.7 Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash on hand, cash and deposits with banks. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise fixed deposits, cash on hand and cash at bank.

2.8 Financial liabilities

Financial liabilities are classified as trade and other payables and borrowings. The accounting policy adopted for other financial liabilities is set out below:

Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction costs, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies *(cont'd)*

2.8 Financial liabilities *(cont'd)*

Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the statements of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amount of the liability and equity components are transferred to share capital. When the conversion option lapses, its carrying amount is transferred to retained earnings.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds.

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be reliably measured. Revenue is presented, net of rebates and discounts and sales related taxes.

2. Summary of significant accounting policies *(cont'd)*

2.10 Revenue recognition *(cont'd)*

Revenue from e-commerce is recognised upon services rendered.

Revenue from network development is recognised upon the delivery and acceptance by the customer of the network.

Interest income is recognised on a time-proportion basis using the effective interest method.

Revenue from franchise sales is recognised when the services required to be performed by the Group have been substantially rendered.

During 2015, revenue from franchise sales has been received in the form of shares in the franchisee companies.

As required by FRS, the revenue has been determined by reference to the value of the consideration shares received based on the discounted cash flow of the franchise businesses. The valuation exercise for the Group's businesses has been performed by a 'big four' accounting firm and subsequently that valuation has been independently validated by CharFi Valuation Services, a US based expert valuer of small and medium cap technology based businesses.

2.11 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the reporting period.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of share options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant using Black-Scholes and Trinomial option pricing models. Non-market vesting conditions are included in the estimation of the numbers of shares under the options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the numbers of shares under the options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2. Summary of significant accounting policies *(cont'd)*

2.11 Employee benefits *(cont'd)*

Share-based compensation *(cont'd)*

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2.12 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.13 Operating leases

When the Group and the Company are the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year or financial period in which termination takes place.

2.14 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years.

Deferred tax is provided, using the liability method, for temporary differences at the end of the reporting period when the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted by the end of the reporting period.

2. Summary of significant accounting policies *(cont'd)*

2.14 Income tax *(cont'd)*

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.15 Foreign currencies

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**").

The Company's functional currency is the United States Dollar, but the financial statements are presented in Singapore Dollar (SGD). The Company considered SGD the most appropriate presentation currency for the reasons listed below:

(a) The Company is an entity with its head office operating in Singapore;

(b) The Company is listed on the Singapore Stock Exchange and its share price is quoted in SGD with the majority of its shareholders being Singaporean; and

(c) The presentation currency being SGD would assist investors in correctly valuing the Company.

All financial information is presented in SGD unless otherwise stated.

2. Summary of significant accounting policies *(cont'd)*

2.15 Foreign currencies *(cont'd)*

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("**foreign currencies**") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translation of monetary items are recognised in profit or loss. Exchange differences arising on the re· translation of non-monetary items carried at fair value are recognised in profit or loss except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements of the Group, the results and financial positions of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rate at the end of the reporting period;

(ii) income and expenses are translated at the average exchange rate for the financial year (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) the resulting foreign currency exchange differences are recognised in other comprehensive income and presented in the foreign currency translation account in equity. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgments made in applying accounting policies

In the process of applying the Group's accounting policies, significant judgments have been made that are expected to significantly affect the amounts recognized in the financial statements.

(a) Revenue recognition in respect of Franchise Sales

For the financial year ended 31 December 2015, the Group has recorded franchise sales amounting to SGD49,126,000, resulting from Franchise Agreements in various territories globally. These franchise sales are non-cash in nature.

In consideration for the franchise rights and various services that the Group is required to deliver, the Group receives unquoted equity securities issued by the entity that will own the franchise rights ("**Franchisee**"). Revenue is recognised based on the fair value of these unquoted equity securities.

Due to various reasons including the lack of an operating history and the sensitivity of the valuation models to underlying parameters, significant judgment is required in measuring the future economic benefits associated with the transaction.

In making the judgment to recognise this revenue, Management has:

- sought independent accounting advice from external consultants,
- obtained independent valuations of the unquoted equity securities from reputable valuation specialists, and
- negotiated the sale of a percentage of the Group's interest in the franchisee companies at values that support Management's assessment of the fair value of the unquoted securities and thus the revenue recognised.

Based on the results of such consultations and valuations, Management is of the view that the revenue recognition criteria have been satisfied.

(b) Revenue recognition in respect of Celebrity-Branded Networks

For the financial year ended 31 December 2015, the Group entered into agreements with various parties for sales of networks in exchange for advertising rights for celebrity-branded networks amounting to SGD5,471,000 (2014: SGD11,762,000).

Significant judgment is required in applying the revenue recognition criteria to assess whether these transactions can be recognised, in particular as to whether the amount of revenue can be reliably measured, and whether it is probable that the economic benefits associated with the transaction will flow to the Group.

3. Critical accounting judgements and key sources of estimation uncertainty *(cont'd)*

3.1 Critical judgments made in applying accounting policies *(cont'd)*

(b) Revenue recognition in respect of Celebrity-Branded Networks (cont'd)

In making this judgment, Management has:

- sought independent accounting advice from external consultants, and
- obtained independent valuations of the advertising rights received from reputable valuation specialists.

Based on the results of such consultations and valuations, Management is of the view that the revenue recognition criteria have been satisfied.

(c) Gross/ net revenue presentation in respect of Merchant Fees

For the financial year ended 31 December 2015, the Group recognised merchant fee revenue amounting to SGD34,549,000 (2014: SGD13,805,000) and associated cost of services amounting to SGD33,711,000 (2014: SGD13,287,000).

Significant judgment is required in assessing whether revenue should be recognised on a gross basis, or a net basis, based on the requirements of FRS 18 *Revenue Recognition*.

In considering the indicators under FRS 18 in respect of this judgement, the Group has sought professional consultation with legal experts on the extent of the Group's responsibility and risks in respect of the underlying transactions. Based on the results of such consultation, Management is of the view that the indicators in FRS 18, on balance, require the Group to recognise revenue on a gross basis.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year, are discussed below.

(a) Amortisation of intangible assets

Intangible assets are amortised on a straight line basis over the asset's useful lives. The estimated useful lives reflect the Managements' estimate of the period the Group expects to derive future economic benefits. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual value of the asset, therefore future amortisation could be revised. If the useful life was increased/(decreased) by 20%, profit before tax will increase/(decrease) by SGD516,000/ (SGD532,000).

3. Critical accounting judgements and key sources of estimation uncertainty *(cont'd)*

3.2 Key sources of estimation uncertainty *(cont'd)*

(b) Allowance for impairment loss on trade and other receivables

The Management establishes an allowance for impairment loss on trade and other receivables on a case-by-case basis when they believe that payment of amounts owed are unlikely to occur. In establishing these allowances, the Management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required.

As at 31 December 2015, the Group recorded approximately SGD 17,091,000 of receivables that have been outstanding in excess of a year from a group of companies controlled by common shareholders (the "**Debtor**"). During the financial year, the Group noted indications of impairment when the Debtor experienced financial difficulties in respect of repayments to certain external creditors.

Based on negotiations with the Debtor, Management is of the view that the value of the receivables can be recovered by accepting repayment in certain unquoted equity investments held by the Debtor. Management has performed an internal valuation of these unquoted equity investments and is of the view that the value of these investments exceed the book value of the receivables from the Debtor.

(c) Share-based compensation

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 15 to the financial statements.

4. Plant and equipment

	Furniture & fittings SGD'000	Office equipment SGD'000	Computers SGD'000	Renovation SGD'000	Total SGD'000
Group					
Cost					
Balance at 1 January 2015	41	79	226	4	350
Additions	30	12	110	125	277
Currency translation differences	3	4	8	–	15
Balance at 31 December 2015	74	95	344	129	642
Accumulated depreciation					
Balance at 1 January 2015	34	64	150	4	252
Depreciation	7	10	52	21	90
Currency translation differences	1	4	5	–	10
Balance at 31 December 2015	42	78	207	25	352
Carrying amount					
Balance at 31 December 2015	32	17	137	104	290
Cost (Restated)					
Balance at 1 January 2014	43	89	202	4	338
Additions	1	3	57	–	61
Liquidation of subsidiaries (Note 6)	(4)	(14)	(8)	–	(26)
Disposals	–	(1)	(28)	–	(29)
Currency translation differences	1	2	3	–	6
Balance at 31 December 2014	41	79	226	4	350
Accumulated depreciation (Restated)					
Balance at 1 January 2014	33	69	157	3	262
Depreciation	4	9	26	–	39
Liquidation of subsidiaries (Note 6)	(4)	(14)	(8)	–	(26)
Disposals	–	(1)	(28)	–	(29)
Currency translation differences	1	1	4	1	7
Balance at 31 December 2014	34	64	151	4	253
Carrying amount (Restated)					
Balance at 31 December 2014	7	15	75	–	97

5. Intangible assets

	Development costs SGD'000	Advertising rights SGD'000	User data SGD'000	Games SGD'000	Total SGD'000
Group					
Cost					
Balance at 1 January 2015	3,897	20,026	647	–	24,570
Additions	963	5,471	–	484	6,918
Write off of fully amortised assets	–	(10,769)	–	–	(10,769)
Currency translation differences	321	1,357	49	14	1,741
Balance at 31 December 2015	5,181	16,085	696	498	22,460
Accumulated amortisation					
Balance at 1 January 2015	2,806	7,272	54	–	10,132
Amortisation	925	9,248	169	54	10,396
Write off of fully amortised assets	–	(10,769)	–	–	(10,769)
Currency translation differences	234	503	10	1	748
Balance at 31 December 2015	3,965	6,254	233	55	10,507
Net book value					
Balance at 31 December 2015	1,216	9,831	463	443	11,953
Cost (restated)					
Balance at 1 January 2014	2,649	7,462	–	–	10,111
Additions	1,086	11,762	623	–	13,471
Currency translation differences	162	802	24	–	988
Balance at 31 December 2014	3,897	20,026	647	–	24,570
Accumulated amortisation (restated)					
Balance at 1 January 2014	2,002	869	–	–	2,871
Amortisation	687	6,122	52	–	6,861
Currency translation differences	117	281	2	–	400
Balance at 31 December 2014	2,806	7,272	54	–	10,132
Net book value (restated)					
Balance at 31 December 2014	1,091	12,754	593	–	14,438

5. Intangible assets *(cont'd)*

During the financial year ended 31 December 2015, the Group entered into agreements with various parties for the sale of networks in exchange for advertising rights for celebrity branded networks amounting to SGD5,471,000 (2014: SGD11,762,000) based on valuations determined by an independent third party valuer. The advertising rights are amortised to profit or loss using the straight-line method over periods ranging from 24 months to 36 months based on the contractual useful life.

During the financial year ended 31 December 2014, the Group purchased the user data amounting to SGD623,000, which are amortised to profit or loss using the straight-line method over a period of 48 months based on the estimated useful life determined by management.

	Advertising rights SGD'000	Games SGD'000	Total SGD'000
Company			
2015			
Cost			
Balance at 1 January	–	–	–
Additions	633	484	1,117
Currency translation differences	75	14	89
Balance at 31 December	708	498	1,206
Accumulated amortisation			
Balance at 1 January	–	–	–
Amortisation	–	54	54
Currency translation differences	–	1	1
Balance at 31 December	–	55	55
Net book value			
Balance at 31 December	708	443	1,151

The Company has no intangible assets as at 31 December 2014.

6. Investments in subsidiaries

	Company	
	2015 SGD'000	2014 SGD'000 (Restated)
Unquoted equity investments, at cost	327,049	303,337
Allowance for impairment losses	(2,048)	(1,906)
	325,001	301,431

6. Investments in subsidiaries *(cont'd)*

Movement in the allowance for impairment loss of investment in subsidiaries is as follows:

	Company	
	2015 SGD'000	2014 SGD'000 (Restated)
Balance at the beginning of the financial year	1,906	1,824
Currency translation differences	142	82
Balance at the end of the financial year	2,048	1,906

The particulars of the significant subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and (Principle place of business)	Effective percentage of equity held		Principal activities
		2015 %	2014 %	
Held by the Company				
YuuZoo Corporation BVI[1]	British Virgin Islands (Singapore)	100	100	Investment holding and network developments
Held by YuuZoo Corporation BVI				
YuuZoo Franchise Corporation[2]	British Virgin Islands (Singapore)	100	–	Dormant
YuuZoo Nigeria Limited[4]	Nigeria	99	99	E-commerce
YuuZoo Content Management Pte. Ltd.[1]	Singapore	100	100	Investment holding
Global Software YuuZoo Inc.[3]	Philippines	100	100	Data processing, hosting and related activities
Held by YuuZoo Content Management Pte. Ltd.				
YuuZooNow! Pte. Ltd.[1]	Singapore	100	100	Advertising, business and management consultancy services
YuuPay Secure Pte. Ltd.[1]	Singapore	100	100	Payments platform services
YuuZoo Computer Technology (Shanghai) Co., Ltd.[3]	P.R. China	100	100	Advertising, business and management consultancy services

1 Audited by Moore Stephens, LLP, Singapore.
2 Newly-incorporated during the year. No audit required as it is dormant.
3 Audited by member firms of Moore Stephens, LLP in the respective countries.
4 Not required to be audited under the laws of the country of incorporation.

7. Available-for-sale investments

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Available-for-sale investments carried at fair value		
Unquoted equity securities, non-current	54,989	–

Included in available-for-sale investments is an amount of SGD50,423,000 that relates to investments for which the Group has equity interests of between 25% to 40%.

The directors of the Company do not consider that the Group is able to exert significant influence over these investees as the majority equity interest for each investee is controlled by another shareholder, who has the option to purchase additional shares in these investees from the Group at fair value, to reduce the equity interest of the Group in these investees to less than 20%.

8. Trade and Other Receivables

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Non-current				
Trade receivables				
– third parties	–	–	–	–
– related parties	1,421	–	–	–
	1,421	–	–	–
Current				
Trade receivables				
– third parties	26,376	17,956	6,796	–
– related parties	382	1,678	–	–
	26,758	19,634	6,796	–
Non-trade receivables				
– third parties	7,837	12,769	–	6,671
– related parties	3	12	–	–
	7,840	12,781	–	6,671
Deposits	116	76	–	–
	34,714	32,491	6,796	6,671
Total trade and other receivables	36,135	32,491	6,796	6,671

8. Trade and Other Receivables *(cont'd)*

Trade receivables are unsecured, non-interest bearing and with a repayment period of 7 to 90 days (2014: 7 to 90 days). The amount due from related parties pertains to entities that are controlled by a director of the Company, and is unsecured, non-interest bearing and repayable on demand except for an interest-free amount of $1,421,000 which is due after 12 months.

The fair values of non-current interest-free receivables approximate their carrying amounts.

Movements in allowance for impairment in trade receivables were as follows:

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Balance at the beginning of the financial year	–	2,138
Allowance for impairment in trade receivables written off	–	(2,148)
Currency translation differences	–	10
Balance at the end of the financial year	–	–

Significant estimates in respect of impairment loss for trade and other receivables are disclosed in note 3.2 (b). Additional credit risk assessment has been disclosed in Note 29.1 to the financial statements.

During the financial year ended 31 December 2015, the Group has written off SGD978,000 (2014: SGD365,000) which has been included in the "other expense" line item in the consolidated statement of comprehensive income.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2015 SGD'000	**2014 SGD'000 (Restated)**	**2015 SGD'000**	**2014 SGD'000 (Restated)**
United States dollar	29,118	25,068	226	–
Singapore dollar	6,833	7,039	6,570	6,671
Japanese yen	3	97	–	–
Others	181	287	–	–
	36,135	32,491	6,796	6,671

9. Amounts due from Subsidiaries

	Company	
	2015 SGD'000	2014 SGD'000 (Restated)
Amounts due from subsidiaries	12,785	2,606
Allowance for impairment	–	–
	12,785	2,606

The amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Movements in allowance for impairment in amount due from subsidiaries were as follows:

	Company	
	2015 SGD'000	2014 SGD'000 (Restated)
Balance at beginning of financial year	–	650
Allowance for impairment in trade receivables written off	–	(653)
Currency translation differences	–	3
Balance at end of financial year	–	–

Amounts due from subsidiaries are denominated in Singapore dollars.

During the financial year ended 31 December 2014, the Company has written off SGD167,086 due to the liquidation and strike-off of certain subsidiaries and impairment of SGD653,000 has been written off.

10. Cash and bank balances

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Cash and cash equivalents per consolidated statement of cash flows, comprising of cash and bank balances	3,748	12,432	628	11,439

10. Cash and bank balances *(cont'd)*

Cash and bank balances per statements of financial position are denominated in the following currencies:

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
United States dollar	1,130	291	–	–
Singapore dollar	2,311	11,818	628	11,439
Japanese yen	79	74	–	–
Others	228	249	–	–
	3,748	12,432	628	11,439

11. Trade and other payables

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Trade payables				
– third parties	10,192	2,203	–	–
Non-trade payables				
– third parties	317	161	130	36
– related parties	–	82	–	80
– subsidiaries	–	–	1,110	–
– amount due to a director	–	7	–	–
	317	250	1,240	116
Accrued expenses	683	369	284	109
Total trade and other payables	11,192	2,822	1,524	225

Trade payables are unsecured, non-interest bearing and are generally on 7 to 30 days' (2014: 7 to 90 days') credit terms.

Non-trade payables are unsecured, non-interest bearing and repayable on demand.

Amount due to subsidiaries and due to a director is unsecured, non-interest bearing and repayable on demand.

11. Trade and other payables *(cont'd)*

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
United States dollar	10,138	1,842	1,110	111
Singapore dollar	605	504	414	114
Japanese yen	112	130	–	–
Others	337	346	–	–
	11,192	2,822	1,524	225

12. Deferred Revenue

Deferred revenue represents unearned revenue on the unexpired period of license fee service contracts.

13. Borrowings

On 8 March 2013, the Company entered into a conditional subscription agreement with Advance Opportunity Fund (the "**Subscriber**") and Advance Partners Limited as the investment manager of the Subscriber pursuant to which the Company proposed to issue to the Subscriber zero percent equity linked redeemable structured convertible bonds ("**Convertible Bonds**") due in 2016, with an aggregate principal amount of up to SGD25,000,000 .

As at 31 December 2013, the Subscriber had subscribed for SGD2,500,000 of the Convertible Bonds. The Subscriber has, in accordance with the conditions, exercised its right to convert SGD2,000,000 in value of the Convertible Bonds into 32,247,102 new ordinary shares of the Company (Note 14).

On 3 January 2014, the remaining Convertible Bonds' amounting to SGD500,000, were fully converted into 13,123,359 new ordinary shares of the Company.

In 2014, the Subscriber subscribed for SGD4,500,000 of the convertible bonds and exercised its right to convert these bonds into 90,175,396 new ordinary shares of the Company. Accordingly, the total number of new ordinary shares issued in 2014 is 103,298,755 with cash proceeds of SGD5,000,000 received.

14. Share Capital

Group

	Number of issued shares	Share Capital SGD'000	Share Premium SGD'000
Balance as at 1 January 2015	632,075,910	79,855	22,532
Issue of shares during the year	2,307,772	317	167
Reclassification from non-controlling interest	–	–	483
Balance as at 31 December 2015	634,383,682	80,172	23,182
Balance as at 1 January 2014 (Restated)	588,060,463	151	19,315
Issue of shares and adjustment at YuuZoo Corporation BVI			
Shares issued to advisor in YuuZoo Corporation BVI	–	5,063	–
Conversion of ESOS in YuuZoo Corporation BVI	–	1,628	–
Non-controlling interests of YuuZoo Corporation BVI	–	(4)	(476)
	–	6,687	(476)
Conversion of convertible bonds	103,298,755	–	–
Consolidation of shares (ii)	(622,223,308)	–	–
Issue of shares due to reverse takeover ("RTO") (iii)			
Shares issued to effect the RTO	490,880,000	40,676	–
Capital raised through compliance placement of shares	50,000,000	6,329	18,671
Shares issued to advisors	22,060,000	2,792	9,598
	562,940,000	49,797	28,269
Realignment of share capital to effect the RTO	–	23,220	(23,220)
Share issue expenses	–	–	(1,356)
Balance as at 31 December 2014 (restated)	632,075,910	79,855	22,532

	Company	
	2015 USD'000	2014 USD'000 (Restated)
Authorised:		
792,203,422 (2014: 792,203,422) ordinary shares of USD0.1 (2014: USD0.1) each	79,220	79,220

14. Share Capital *(cont'd)*

Company

	Number of issued shares	Share Capital SGD'000	Share Premium SGD'000
Balance as at 1 January 2015	632,075,910	79,855	252,998
Issue of shares during the year	2,307,772	317	167
Balance as at 31 December 2015	634,383,682	80,172	253,165
Balance as at 1 January 2014 (Restated)	588,060,463	29,977	44,644
Capital reduction	–	(22,687)	(44,871)
Conversion of convertible bonds (Note 13)	103,298,755	1,308	3,738
Consolidation of shares (ii)	(622,223,308)	–	–
Issue of shares due to reverse takeover ("RTO") (iii)			
Shares issued to effect the RTO	490,880,000	62,136	222,574
Capital raised through compliance placement of shares	50,000,000	6,329	18,671
Shares issued to advisors	22,060,000	2,792	9,598
Sub-total	562,940,000	71,257	250,843
Share issue expenses	–	–	(1,356)
Balance as at 31 December 2014 (Restated)	632,075,910	79,855	252,998

Acquisition of YuuZoo BVI and its controlled entities.

On 29 August 2014, YuuZoo BVI's original shareholders obtained a majority share interest in YuuZoo Corporation Limited (formerly known as W Corporation Limited) after the reverse takeover transaction. This transaction did not meet the definition of a business combination in FRS 103 'Business Combinations'. The acquisition was accounted for in the consolidated financial statements in accordance with FRS 102 'Share-based Payment', as a continuation of the financial statements of YuuZoo BVI, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of YuuZoo Corporation Limited. The shares issued have been recorded at the fair value of the consideration received.

The consolidated financial statements and share capital represents the continuation of YuuZoo BVI. The number of shares in issue reflects those of YuuZoo Corporation Limited.

The newly issued shares rank *pari passu* in all respects with the previously issued shares. The par value for all the issued shares is USD0.10 as at the year end of 2014 and 2015.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

(a) During the financial year ended 31 December 2015, the Group issued 2,307,772 shares to acquire mobile games from Camigo Media, LLC.

14. Share Capital *(cont'd)*

(b) On 6 August 2014, the Company completed a share consolidation, where every ten (10) existing shares registered in the name of each Shareholder were consolidated into one (1) consolidated share. Accordingly, the par value of each issued shares became USD0.10.

(c) On 29 August 2014, the Company completed the RTO transaction to acquire YuuZoo BVI. Pursuant to the RTO transaction, the Company has issued 562,940,000 ordinary shares, including:

– 490,880,000 consideration shares issued at a price of SGD0.58 per share to YuuZoo BVI shareholders and option holders.

– 22,060,000 ordinary shares issued to financial advisors amounting to USD9,933,000.

• 5,060,000 shares to Macquarie Capital (Singapore) Pte. Limited pursuant to the service agreement signed by the Company's duly appointed financial advisor at an issue price of SGD0.50 per share (compliance placement issuance price).

* 15,000,000 shares to Manus Capital Company Limited issued at the trading price on RTO completion date (SGD 0.58 per share).

• 2,000,000 shares to Stamford Law Corporation issued at the trading price on RTO completion date (SGD0.58 per share) pursuant to the service agreement signed by the Company's duly appointed legal advisor.

– 50,000,000 placement shares for the Compliance placement, at an issue price of SGD0.50 per share leading to a gross proceeds of SGD25,000,000

15. Other reserves

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Foreign currency translation account	8,128	2,864	44,065	20,021
Share option reserve (Note 18)	1,481	82	1,481	82
	9,609	2,946	45,546	20,103

Foreign currency translation account

The foreign currency translation account is used to record exchange differences arising from the translation of the financial statements of operations whose functional currencies are different from that of the Group's presentation currency and is not distributable.

15. Other reserves *(cont'd)*

Share option reserve

The share option reserve arises on the grant of share options to employees under the employee share option plan.

The Share Incentive Plans (the "**YuuZoo ESOS**") implementation was approved by the Company's directors on 14 November 2014 to issue to its employees options of a total of up to 3.97% of the existing issued share capital of the Company. In 2015, options were granted that comprises 2.05% of the issued share capital of the Company.

Under the YuuZoo ESOS Scheme, the options vest after a period from between 1 to 3 years of the grant date subject to continued employment.

Movement in the numbers of unissued ordinary shares under the options and their exercise prices are as follows:

	Beginning of the financial year	Granted during the financial year	Exercised or cancelled during the financial year	End of the financial year	Exercise price (SGD)	Exercise period
2015						
ESOS	8,527,136	23,710,411	(4,756,202)	27,481,345	0.14-0.25	15.12.2016 to 28.8.2025
2014						
ESOS	-	8,527,136	-	8,527,136	0.25	15.12.2016 to 15.12.2024

The estimated fair value of options was determined using the Black Scholes and Trinomial option pricing models with the following inputs into the models:

Exercise price	SGD 0.14 to 0.25
Share price at valuation date	SGD 0.14 to 0.32
Expected volatility	10% to 45%
Expected life	2 - 3 years
Risk-free interest rate	0.2626% to 2.14%
Expected dividend yield	-%

The expected volatility was determined by calculating the overall median volatility of comparable companies.

16. Revenue

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
E-Commerce	35,120	36,757
Network development fees and franchise sales	54,941	11,009
	90,061	47,766

17. Other income

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Government grant – Productivity and Innovation Credit ("**PIC**")	80	232
Foreign exchange gain, net	–	158
Interest income	106	528
Waiver of debts	–	9
Penalty charges imposed on merchants	–	791
Others	160	106
	346	1,824

18. Employee benefits expense

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Expenses benefits expense		
– salaries and wages	4,087	2,461
– contributions to defined contribution plan	272	165
– other benefits	142	35
– share based compensation (Note 15)	1,399	82
– directors' fees	272	419
	6,172	3,162

19. Finance costs

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Interest charged by related parties	–	22
	–	22

20. Other non-recurring expense

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Share listing expense arising from RTO accounting (i)	–	38,556
Share-based compensation for advisory services (Note 13)	–	12,572
Cash-based payment for advisory services	–	5,325
	–	56,453

(a) As disclosed in Note 2.2, YuuZoo BVI is the accounting acquirer of the Group for accounting purposes, and the Company and its subsidiaries before the RTO became the accounting acquiree.The net assets acquired and the share listing expenses arising from the RTO are as follows:

	Group SGD'000
Consideration transferred:	
Equity instruments issued as settlement of purchase consideration	40,099

The consideration was based on the Company's entire share capital of 69,135,910 shares before the reverse acquisition using a fair value of SGD0.58 per share representing the fair value of the issued equity of YuuZoo Corporation Limited before the reverse acquisition.

20. Other non-recurring expense *(cont'd)*

Assets acquired and liabilities assumed at the date of acquisition:

	Carrying amount and fair value SGD'000
Trade and other receivables	71
Cash and cash equivalents	2,276
Trade and other payables	(223)
Translation difference	(581)
Net asset acquired	1,543
Share listing expense incurred	38,556

The table above represents the assets and liabilities of YuuZoo Corporation Limited (formally W Corporation Limited) that was acquired on its acquisition by YuuZoo BVI. Refer to Note 2.2 to the financial statements for Basis of consolidation. The cost of the acquisition based on the notional amount of shares that YuuZoo BVI needed to issue to offset the transaction at fair value amounted to SGD40,099,000. The difference between the fair value of SGD40,099,000 and the net assets acquired of SGD1,543,000, being SGD38,556,000 has been expensed as a shared base payment cost in profit or loss.

21. Profit/(Loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the profit/ (loss) before income tax includes the following charges:

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Other expenses		
Audit fees paid to auditors		
– auditors of the Company	280	141
– other auditors	43	11
Non-audit fee	–	15
Advertising expenses	246	84
Allowance for impairment in trade receivables	91	–
Write off of trade receivables	978	365
Operating lease expenses	343	249
Professional fees	1,646	1,143
Foreign exchange loss, net	1,417	–

22. Income tax expense

The Group's income tax has been calculated on the assessable profit for the financial year at the rates prevailing in the respective foreign tax jurisdictions. Details of the reconciliation of effective tax rate are as follows:

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Profit/ (Loss) before income tax	32,735	(57,720)
Tax on profit/ (loss) before income tax, calculated at 17% (2014: 17%)	5,565	(9,812)
Expenses not deductible for income tax purposes	144	111
Different tax rates of subsidiaries operating in other jurisdictions	(6,104)	9,872
Deferred tax asset not recognised	170	258
Income not subject to income tax	–	(172)
Utilisation of previous years' unrecognised tax losses	(6)	(114)
Enhanced tax deduction of approved equipment	–	(142)
Others	231	(1)
	–	–

The Group has tax losses of approximately SGD3,324,327 (2014:SGD3,020,220) that are available for offset against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax assets is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective companies in which subsidiaries operate.

23. Disposal of subsidiary

During the financial year ended 31 December 2014, the Group liquidated the entire equity interest in E-Worldaccount Management Singapore Pte. Ltd. and its subsidiary E-World Account Pte. Ltd. with no consideration received.

Carrying values of net liabilities over which control was lost.

	2014 SGD'000 (Restated)
Current asset	
Trade and other receivables	52
Cash and cash equivalents	182
	234

23. Disposal of subsidiary *(cont'd)*

	2014 SGD'000 (Restated)
Current liabilities	
Trade and other payables	(1,868)
Net liabilities derecognised	(1,634)
Gain on disposal	
Consideration received	–
Net liabilities derecognised	1,634
Waiver of intercompany loan	(619)
Non-controlling interest	(790)
Gain on disposal	225
Net cash outflow arising on disposal	
Cash and cash equivalents disposed of	(182)
	(182)

24. Significant Related Party Transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate of joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint venture of the same third party.

(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

24. Significant Related Party Transactions *(cont'd)*

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

During the financial year, in addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the parties during the financial year:

	Group		Company	
	2015 SGD'000	**2014 SGD'000 (Restated)**	**2015 SGD'000**	**2014 SGD'000 (Restated)**
With related parties				
(Companies controlled by one of the directors)				
Interest expense	–	22	–	–
Professional fee	319	316	–	–
With subsidiaries				
Advances to subsidiaries			12,785	1,171
Payment on behalf of			–	1,527
Payment on behalf by			1,110	92

Included in the Group's revenue is an amount of SGD689,000 (2014: Nil) arising from sales to a 50-50 joint venture company between a company controlled by a director and a third party.

Compensation of key management personnel

The remuneration of the key management personnel of the Group (Chief Executive Officer and Executive Officers) during the financial year was as follows:

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Directors' fees	272	419
Short-term employment benefits	1,776	1,078
Post-employment benefits	68	58
Share based compensation	740	49
	2,856	1,604

Included in key management personnel remuneration was Directors' remuneration of SGD503,000 and SGD542,000 for the financial years ended 31 December 2015 and 2014 respectively.

25. Operating lease commitments

The Group and Company as the lessee

As at the end of the reporting period, there were non-cancellable operating lease commitments for rental payable in subsequent accounting periods as follows:

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Not later than one financial year	502	83
After one financial year but within five financial years	494	4
	996	87

The above operating lease commitments are based on existing rental rates at the end of each reporting period.

26. Earnings/(Loss) per share

The basic earnings per share is calculated based on the consolidated (loss)/profit attributable to equity holders of the Company divided by the weighted average number of shares in issue of 632,221,731 (2014: 513,529,639) shares during the financial year.

Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

The following tables reflect the profit or loss and share data used in the computation of basic and diluted earnings per share.

	Group	
	2015 SGD'000	**2014 SGD'000 (Restated)**
Basic earning/(loss) per share		
Profit/(loss) attributable to shareholders (SGD'000)	32,735	(57,714)
Weighted average number of ordinary shares in issue ('000)	632,222	513,530
Basic earnings/(loss) per share (SGD cents)	5.18	(11.24)
Diluted earnings/(loss) per share		
Profit/(loss) attributable to shareholders (SGD'000)	32,735	(57,714)
Weighted average number of ordinary shares in issue ('000)	632,222	513,530
Effect of dilutive potential ordinary shares due to share options ('000)	27,481	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share ('000)	659,703	513,530
Diluted earnings/(loss) per share (SGD cents)	4.96	(11.24)

27. Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. For management purposes, the Group organised into business units based on services, and has two reportable segments as follows:

(a) The network development and franchise sales segment is principally involved in building mobile-optimised but device agnostic targeted social e-commerce networks for businesses and consumers and the sales of franchise and marketing rights of the Company's services.

(b) The e-commerce segment provides a range of services for online mobile transactions including payment processing, advertising, gaming and other online transactions.

Management monitors the operating results of the segment separately for the purpose of making decision about the resources allocated and of assessing performance. Segment performance is evaluated based on gross profits. Group financing (including finance costs), operating expenses and income taxes are managed on group basis and are not allocated to operating segments.

The Group does not have intersegment sales.

Business Segment

	Network development and franchise sales SGD'000	E-commerce SGD'000	Unallocated (i) SGD'000	Elimination SGD'000	Total SGD'000
2015					
Revenue					
External revenue (including other income)	54,941	35,120	346	–	90,407
Results					
Segment results	41,460	(3,043)	(5,682)	–	32,735
Interest expense	–	–	–	–	–
Profit/(loss) before income tax	41,460	(3,043)	(5,682)	–	32,735
Income tax					–
Profit after income tax					32,735
Non–cash items					
Write off of trade receivables	–	978	–	–	978
Depreciation of plant and equipment	68	22	–	–	90
Amortisation of intangible assets	9,977	356	63	–	10,396
Capital expenditure					
Plant and equipment	229	48	–	–	277
Development costs	963	–	–	–	963
Advertising rights	5,471	–	–	–	5,471
Games	–	484	–	–	484
Investment	–	–	4,448	–	4,448
Assets and liabilities					
Seqment assets	83,189	10,904	26,057	(12,804)	107,346
Segment liabilities	611	11,827	1,525	(2,771)	11,192

27. Segment reporting *(cont'd)*

Business Segment

	Network development and franchise sales SGD'000	E-commerce SGD'000	Unallocated (i) SGD'000	Elimination SGD'000	Total SGD'000
2014 (Restated)					
Revenue					
External revenue (including other income)	12,042	37,548	–	–	49,590
Results					
Segment results	(130)	(214)	(56,160)	(1,238)	(57,742)
Interest expense	22	–	–	–	22
Loss before income tax	(108)	(214)	(56,160)	(1,238)	(57,720)
Income tax					–
Loss after income tax					(57,720)
Non-cash items					
Write off of trade receivables	334	31	–	–	365
Depreciation of plant and equipment	30	7	2	–	39
Amortisation of other intangible assets	5,801	1,060	–	–	6,861
Capital expenditure					
Plant and equipment	28	33	–	–	61
Development cost	1,086	–	–	–	1,086
Advertising rights	11,762	–	–	–	11,762
User data	623	–	–	–	623
Assets and liabilities					
Seqment assets	40,001	8,866	13,660	(3,011)	59,516
Segment liabilities	5,466	1,793	741	(4,757)	3,243

(i) Included mainly non-recurring expenses SGD56,453,000 incurred for RTO.

28. Effects of change in presentation currency

Prior to 1 January 2015, the financial statements were presented in United States dollar (USD). With effect from 1 January 2015, the Company changed its presentation currency from USD to SGD. The financial statements have been presented as if the change in presentation currency had always been in place by restating comparative financial statements of the preceding years as required by FRS 8 on *Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies*.

28. Effects of change in presentation currency

Consolidated statement of Financial Position

	As previously reported 2014 USD'000	As restated 2014 SGD'000	As previously reported 1.1.2014 USD'000	As restated 1.1.2014 SGD'000
Group				
Non-current assets				
Plant and equipment	74	97	60	76
Intangible assets	10,971	14,438	5,749	7,240
Investments in subsidiaries	–	–	–	–
Assets available for sale	–	–	–	–
Trade and other receivables	–	–	12,178	15,337
	11,045	14,535	17,987	22,653
Current assets				
Trade and other receivables	24,689	32,491	17,806	22,425
Amounts due from subsidiaries	–	–	–	–
Prepayments	44	58	19	24
Cash and bank balances	9,447	12,432	2,479	3,122
	34,180	44,981	20,304	25,571
Less:				
Current liabilities				
Trade and other payables	2,144	2,822	16,605	20,913
Deferred revenue	320	421	290	365
Borrowings	–	–	–	–
	2,464	3,243	16,895	21,278
Net current assets	31,716	41,738	3,409	4,293
Net assets	42,761	56,273	21,396	26,946
Capital and reserves				
Share capital	63,207	79,855	120	151
Share premium	18,166	22,532	15,337	19,315
Other reserves	117	2,946	72	91
(Accumulated losses)/Retained earnings	(39,236)	(49,706)	6,491	8,175
Equity attributable to owners of the parent	42,254	55,627	22,020	27,732
Non-controlling interests	507	646	(624)	(786)
Total equity	42,761	56,273	21,396	26,946

28. Effects of change in presentation currency *(cont'd)*

Consolidated Statement of Comprehensive Income

	As previously reported 2014 USD'000	As restated 2014 SGD'000
Revenue	37,736	47,766
Other income	1,441	1,824
	39,177	49,590
Items of expense		
Cost of services	(29,275)	(37,056)
Amortisation of intangible assets	(5,420)	(6,861)
Depreciation of plant and equipment	(31)	(39)
Employee benefits expense	(2,498)	(3,162)
Gain on liquidation of subsidiaries	178	225
Other expenses	(3,115)	(3,942)
Finance costs	(17)	(22)
Other non-recurring expense	(44,599)	(56,453)
Total expense	(84,777)	(107,310)
Profit/(Loss) before income tax	(45,600)	(57,720)
Income tax expense	–	–
(Loss)/Profit for the financial year	(45,600)	(57,720)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net of tax	64	2,879
Other comprehensive income for the financial year, net of tax	64	2,879
Total comprehensive income/(loss) for the financial year	(45,536)	(54,841)
Profit/(Loss) for the financial year attributable to :		
Owners of the parent	(45,595)	(57,714)
Non-controlling interests	(5)	(6)
	(45,600)	(57,720)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	(45,531)	(54,835)
Non-controlling interests	(5)	(6)
	(45,536)	(54,841)
Earnings/(Loss) per share		
Basic (cents/share)	(8.88)	(11.24)
Fully diluted (cents/share)	(8.88)	(11.24)

28. Effects of change in presentation currency *(cont'd)*

Statement of Financial Position

	As previously reported 2014 USD'000	As restated 2014 SGD'000	As previously reported 1.1.2014 USD'000	As restated 1.1.2014 SGD'000
Company				
Non-current assets				
Plant and equipment	–	–	–	–
Intangible assets	–	–	–	–
Investments in subsidiaries	229,051	301,431	–	–
Assets available for sale	–	–	–	–
Trade and other receivables	–	–	–	–
	229,051	301,431	–	–
Current assets				
Trade and other receivables	5,069	6,671	–	–
Amounts due from subsidiaries	1,980	2,606	43	54
Prepayments	–	–	344	436
Cash and bank balances	8,692	11,439	95	120
	15,741	20,716	482	610
Less:				
Current liabilities				
Trade and other payables	171	225	459	578
Borrowings	–	–	395	500
	171	225	854	1,078
Net current assets/(liabilities)	15,570	20,491	(372)	(468)
Net assets/(liabilities)	244,621	321,922	(372)	(468)
Capital and reserves				
Share capital	63,207	79,855	23,803	29,977
Share premium	204,584	252,998	35,449	44,644
Other reserves	65	20,103	–	2,006
Accumulated losses	(23,235)	(31,034)	(59,624)	(77,095)
Total equity	244,621	321,922	(372)	(468)

29. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose it to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk) arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise the adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board is responsible for setting the objectives and underlying principles of financial risk management of the Group and the Company. The Management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

29.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and does not require collaterals. Cash and bank balances are placed with banks and financial institutions which are regulated.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risk.

The Group's and the Company's major classes of financial assets are trade and other receivables, amount due from subsidiaries and cash and cash equivalents.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. The Group's historical experience in the collection of receivables falls within the credit terms granted.

The Group has significant credit exposure arising from 3 (2014: 3) trade receivables amounting to approximately SGD24,933,378 (2014: SGD15,974,924 in aggregate as at the end of the reporting period.

The age analysis of the Group's trade receivables as at the end of the reporting period that are past due but not impaired is as follows:

	Group	
	2015 SGD'000	2014 SGD'000 (Restated)
Less than 3 months	9,397	1,196
3 months to 6 months	–	834
6 months to 12 months	18,782	3,194

29. Financial instruments, financial risks and capital management *(cont'd)*

29.1 Credit risk *(cont'd)*

The Group has entered into a renegotiation of credit terms with its customers who have amounts past due more than 6 months.

29.2 Foreign currency risk

Foreign currency risks arise from transactions denominated in currencies other than the functional currency of the entities within the Group. The currency that gives rise to this risk is primarily the Singapore dollar.

The Group and the Company do not hedge foreign currency exposure using derivative financial instruments. The Group and the Company manage foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group and the Company monitor foreign exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks. As at 31 December 2015 and 2014, there are no outstanding forward foreign currency contracts.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Group				
Singapore dollar	9,144	18,857	605	504
Company				
Singapore dollar	7,198	18,110	414	114

The Group's and the Company's exposure to foreign currency risk are mainly in Singapore dollar.

The following table details the Group's and Company's sensitivity to a 5% changes in Singapore dollar against the United States dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Singapore dollar, are included in the analysis.

29. Financial instruments, financial risks and capital management *(cont'd)*

29.2 Foreign currency risk *(cont'd)*

Consequently, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Profit or loss	
	2015 SGD'000	2014 SGD'000 (Restated)
Group		
Singapore dollar		
Strengthens against United States dollar	427	918
Weakens against United States dollar	(427)	(918)
Company		
Singapore dollar		
Strengthens against United States dollar	339	900
Weakens against United States dollar	(339)	(900)

29.3 Interest rate risk

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to interest bearing receivables and interest bearing liabilities.

The Group's and the Company's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from interest bearing receivables and interest bearing liabilities which are at floating interest rates. It is the Group's and the Company's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group and the Company.

The Group has no significant exposure to market risk for changes in interest rates as it does not have significant-bearing receivables and liabilities.

29.4 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of their overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintain sufficient levels of cash to meet its working capital requirement.

On 4 September 2015, the Group entered into an agreement with GEM Global Yield Fund ("**GEM**"), a New York based private alternative investment group. Under the agreement GEM has agreed to provide the Company with up to SGD30 million over the next three years.

29. Financial instruments, financial risks and capital management *(cont'd)*

29.4 Liquidity risk *(cont'd)*

This SGD30 million is in the form of a Capital Commitment which allows YuuZoo to drawdown funds during the three year term of the Agreement by issuing ordinary shares to GEM at a price per share which represents a 10% discount on the closing price of YuuZoo shares on the date such drawdown is requested by YuuZoo.

The Agreement is supported by a share lending arrangement whereby shares controlled by YuuZoo's Chairman, Thomas Zilliacus are lent to GEM at no cost to YuuZoo during the period between YuuZoo making the drawdown request and the issue of shares under the Agreement.

The Agreement has both SGX-ST approval for the listing and quotation of the shares to be issued to GEM under the Agreement and YuuZoo's shareholders approval to enter into the Agreement.

Contractual maturity analysis

The following table details the Group's and the Company's remaining contractual maturity for its non- derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

	Within one financial year SGD'000	After one financial year but within five financial years SGD'000	Total SGD'000
Group			
2015			
Financial assets			
Trade and other receivables	34,714	1,421	36,135
Cash and bank balances	3,748	–	3,748
	38,462	1,421	39,883
Financial liabilities			
Trade and other payables	11,192	–	11,192
Total net undiscounted financial assets	27,270	1,421	28,691
2014 (Restated)			
Financial assets			
Trade and other receivables	32,491	–	32,491
Cash and bank balances	12,432	–	12,432
	44,923	–	44,923
Financial liabilities			
Trade and other payables	2,822	–	2,822
Total net undiscounted financial assets	42,101	–	42,101

29. Financial instruments, financial risks and capital management *(cont'd)*

29.4 Liquidity risk *(cont'd)*

Contractual maturity analysis *(cont'd)*

	Within one financial year SGD'000	After one financial year but within five financial years SGD'000	Total SGD'000
Company			
2015			
Financial assets			
Trade and other receivables	6,796	–	6,796
Amount due from subsidiaries	12,785	–	12,785
Cash and bank balances	628	–	628
	20,209	–	20,209
Financial liabilities			
Trade and other payables	1,524	–	1,524
Total net undiscounted financial assets	18,685	–	18,685
2014 (Restated)			
Financial assets			
Trade and other receivables	6,671	–	6,671
Amount due from subsidiaries	2,606	–	2,606
Cash and bank balances	11,439	–	11,439
	20,716	–	20,716
Financial liabilities			
Trade and other payables	225	–	225
Total net undiscounted financial assets	20,491	–	20,491

The Group and the Company maintain sufficient cash and cash equivalents and cash flows generated from financing to finance their operations.

29.5 Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholders' value.

29. Financial instruments, financial risks and capital management *(cont'd)*

29.5 Capital management policies and objectives *(cont'd)*

The capital structure of the Group consists of equity attributable to owner of the parent, comprising issued capital, share premium, reserves and net of accumulated losses and retained earnings, as reflected in the consolidated statement of financial position. The Group is not subject to any external imposed capital requirements.

29.6 Fair value of financial assets and financial liabilities

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- Level 3 – Unobservable inputs for the asset or liability.

Assets available for sale are measured at Level 3 fair values by independent third party valuers based on a discounted cash flow model. A 20% increase/ (decrease) in estimated investees' net revenue while all the other variables were held constant will increase/ (decrease) the Group's revenue and assets available for sale by $10,085,000.

Reconciliation of level 3 fair value measurements:

31 December 2015	Assets available for sale SGD'000
Group	
Opening balance	–
Amount recognized as revenue during the year	49,126
Translation gains	1,297
Closing balance	50,423

The Group is in the process of finalising an agreement with a number of independent 3rd party investors to sell approximately 1% of its shares in franchisee companies that are held as assets available for sale. Negotiations for these sales are in an advanced stage and, subject to the execution of long-form agreements, will complete in mid-2016. The terms of the in-principle agreements negotiated to date set a price point equal to the Group's carrying value of the shares and is not expected to yield a profit or a loss to the group.

This series of sales will provide level 2 supporting evidence in determining the appropriate value at which to hold these assets on the balance sheet.

29. Financial instruments, financial risks and capital management *(cont'd)*

29.6 Fair value of financial assets and financial liabilities *(cont'd)*

The carrying amounts of the Group's and the Company's financial assets and financial liabilities measured at amortised cost approximate their fair values as at the end of the reporting period due to the relatively short period of maturity of these financial instruments. The fair values of non-current financial assets are disclosed in the respective notes to the financial statements.

29.7 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015 SGD'000	2014 SGD'000 (Restated)	2015 SGD'000	2014 SGD'000 (Restated)
Financial assets				
Loans and receivables	38,462	44,923	20,209	20,716
Financial liabilities				
Other financial liabilities, at amortised cost	11,192	2,822	1,524	225

30. Subsequent events

IAH acquisition

On 18 January 2016 the Company announced that it had acquired a 30% interest in Infocomm Asia Holdings Pte Ltd ("IAH Games"), a leading distributor of online and box games in South East Asia.

The acquisition gives YuuZoo access to IAH Games' 37 million registered gamers in 7 markets in South East Asia to whom YuuZoo can crossmarket its own games and services.

Payment for this acquisition was made by the issuing 15 million new YuuZoo Corporation shares to IAH and its shareholders.

AliSports agreement

On 20 March 2016 the Company announced its agreement with Alibaba Sports Group ("AliSports"). Under this agreement, YuuZoo, through its Chinese JV YuuGames, will organise and run the AliSports World Electronic Sport Games ("wESG"), as well as manage the E-Sports Clubs Competition Center for Alibaba throughout China. WESG will commence in April 2016 with the 20 appointed e-sports clubs competition centers. Contest participants will compete for the RMB 35.6 million (US$5.5 million) prize money.

Under the agreement, AliSports will pay YuuGames a multimillion US dollar fee to organise and run WESG and manage AliSports' E-Sports Clubs Competition Center.

30. Subsequent events *(cont'd)*

GEM Funding

On 21 March 2016, a Special General Meeting of shareholders formally approved the execution of a SGD30 million Capital Commitment Agreement with GEM Global Yield Fund ("GEM"), a New York based private alternative investment group.

Under the terms of this agreement, YuuZoo has secured SGD30 million in the form of a Capital Commitment which allows YuuZoo to drawdown funds during the three year term of the Agreement by issuing ordinary shares to GEM at a price per share which represents a 10% discount on the closing price of YuuZoo shares on the date such drawdown is requested by YuuZoo.

The Agreement is supported by a share lending arrangement whereby shares controlled by YuuZoo's Executive Chairman, Thomas Zilliacus are lent to GEM at no cost to YuuZoo during the period between YuuZoo making the drawdown request and the issue of shares under the Agreement.

The Agreement has SGX-ST approval for the listing and quotation of the shares to be issued to GEM Global under the Agreement.

Media Rock, Mexico franchise agreement

On 21 April 2016 the Company announced that it had entered into a franchise agreement with Media Rock S.A de C.V. ("Media Rock"), a leading Mexican digital entertainment company.

Media Rock intends to use YuuZoo's (YuuPay) payment platform for all payments of all Media Rock's clientele including lead client, Busca Corp., that itself owns a bouquet of digital properties headlined by www.levelup.com, one of Latin America's leading online video game sites.

Franchise share sale

The Group is in the process of finalising an agreement with a number of independent 3rd party investors to sell approximately 1% of its shares in franchisee companies that are held as 'Assets available for sale' at 31 December 2015. Negotiations for these sales are in an advanced stage and, subject to the execution of long-form agreements, will complete in mid-2016. The terms of the in-principle agreements negotiated to date set a price point equal to the Group's carrying value of the shares and is not expected to yield a profit or a loss to the group.

This series of sales demonstrates the Company's ability to monetise the shares as a future source of funds and provides further supporting evidence in determining the appropriate value at which to hold these assets on the balance sheet.

STATISTICS OF SHAREHOLDINGS

AS AT 29 APRIL 206

Authorised share capital	:	USD79,220,342.20
Issued and fully paid capital	:	SGD82,190,00
Class of shares	:	Ordinary Shares of USD0.10 each
Number of Shares in Issue	:	649,383,682
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	215	4.07	7,401	0.00
100 – 1,000	1,296	24.56	555,810	0.09
1,001 – 10,000	1,255	23.78	7,594,393	1.17
10,001 – 1,000,000	2,462	46.66	224,181,371	34.52
1,000,001 and above	49	0.93	417,044,707	64.22
	5,277	**100.00**	**649,383,682**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders as at 29 April 2016)

	Direct Interest	%	Deemed Interest	%
Mobile Futureworks Inc.	-	-	171,755,362[a]	26.45
Thomas Henrik Zilliacus	7,696,677	1.19	171,755,362[b]	26.45

Notes:

(a) Mobile Futureworks Inc. has a deemed interested in 69,055,391 shares held through JPMorgan Chase Singapore, 82,955,391 shares held through Raffles Nominees (Pte) Ltd., 4,744,580 shares held by Arlington Marble Holdings Inc., and 15,000,000 shares held by GEM Global Yield Fund LLC SCS.

(b) Mr. Thomas Zilliacus has a deemed interest in 69,055,391 shares held by Mobile FutureWorks Inc. through JPMorgan Chase Singapore, 82,955,391 shares held by Mobile FutureWorks Inc. through Raffles Nominees (Pte) Ltd., 4,744,580 shares held by Arlington Marble Holdings Inc. by virtue of his shareholding in Mobile FutureWorks Inc. and Arlington Marble Holdings Inc. and 15,000,000 shares held by GEM Global Yield Fund LLC SCS.

STATISTICS OF SHAREHOLDINGS

AS AT 29 APRIL 2016

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	RAFFLES NOMINEES (PTE) LIMITED	95,193,938	14.66
2.	DBSN SERVICES PTE LTD	69,947,936	10.77
3.	DBS NOMINEES (PRIVATE) LIMITED	33,020,220	5.08
4.	OCBC SECURITIES PRIVATE LIMITED	26,020,242	4.01
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	18,897,368	2.91
6.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	16,480,063	2.54
7.	MAYBANK KIM ENG SECURITIES PTE LTD	14,860,000	2.29
8.	CIMB SECURITIES (SINGAPORE) PTE LTD	14,421,971	2.22
9.	PHILLIP SECURITIES PTE LTD	11,729,250	1.81
10.	HSBC (SINGAPORE) NOMINEES PTE LTD	9,672,519	1.49
11.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,996,207	1.39
12.	CHNG BENG HUA	7,800,000	1.20
13.	MORGAN LEWIS STAMFORD LLC	7,754,977	1.19
14.	THOMAS HENRIK ZILLIACUS	7,696,677	1.19
15.	CITIBANK CONSUMER NOMINEES PTE LTD	5,126,000	0.79
16.	ARLINGTON MARBLE HOLDINGS INC	4,744,580	0.73
17.	TEO CHOR KOK	4,433,700	0.68
18.	UOB KAY HIAN PRIVATE LIMITED	4,419,625	0.68
19.	ONG KIAN ENG	4,390,400	0.68
20.	TOH BEE YONG	3,928,601	0.60
	TOTAL	**369,534,274**	**56.91**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately, 72.20% of the Company's shares are held in the hands of the Public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **YUUZOO CORPORATION LIMITED** (the "Company") will be held at 87 Science Park Drive, Oasis, Level 4 Auditorium, Science Park I, Singapore 118260 on Friday, 29 April 2016 at 11:00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended to 31 December 2015 together with the Auditors' Report thereon.
[Resolution 1]

2. To approve the Director's fees of US$138,000 for the financial year ending 31 December 2016. (2015: US$114,000)
[See Explanatory Note 1] **[Resolution 2]**

3. To re-elect Mr Mikael Stewen, a Director retiring pursuant to Bye-Law 86(1) of the Company's Bye-Laws.
[See Explanatory Note 2] **[Resolution 3]**

4. To re-elect Mr Thomas Zilliacus, a Director retiring pursuant to Bye-Law 86(1) of the Company's Bye-Laws.
[See Explanatory Note 3] **[Resolution 4]**

5. To note that Moore Stephens LLP has expressed that they will not seek re-appointment as auditor of the Company.
[See Explanatory Note 4]

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution with or without any modification as Ordinary Resolution:-

7. **Share Issue Mandate**

"THAT pursuant to the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution),

provided that:

(1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% (unless paragraph (3) below applies) of the total number of issued Shares (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a

pro-rata basis ("**non pro-rata basis**"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares shall be based on the issued Shares of the Company at the time such authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and

(c) any subsequent consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier".

[See Explanatory Note 5] **[Resolution 5]**

Dated this 11th day of May, 2016.

On behalf of the Board
Thomas Zilliacus
Executive Chairman

Notes:

A. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company may appoint not more than two (2) proxies to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

B. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.

C. The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

D. A depositor holding Shares through the CDP and whose name appears in the Depository Register who wishes to attend and vote at the Meeting may do so as CDP's proxy.

E. The duly completed proxy form must be deposited at the office of the Company's Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at Six Battery Road #10-01, Singapore 049909 not less than forty-eight (48) hours before the time appointed for the holding of the Annual General Meeting.

EXPLANATORY NOTES:

1. Mr Mikael Stewen, upon re-election as a director of the Company, will remain as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee. He will be considered independent. Detailed information on Mr Mikael Stewen can be found under the section entitled 'Board of Directors' on page 9 of the Annual Report. There are no relationships (including immediate family relationships) between Mr Mikael Stewen and the other Directors, the Company and the 10% shareholder.

2. Mr Thomas Zilliacus, upon re-election as a director of the Company, will remain as the Executive Chairman of the Board of Directors and will be considered non-independent. Detailed information on Mr Thomas Zilliacus can be found under the section entitled 'Board of Directors' on page 9 of the Annual Report.

3. Moore Stephens LLP has expressed that they would not be seeking re-appointment as auditor at this Annual General Meeting. Efforts are being made by the Company to appoint a new auditor as soon as practicable. Further announcement would be released in due course once new appointment has been confirmed.

4. The proposed Resolution 4, if passed, will empower the Directors of the Company from the date of the Annual General Meeting to issue Shares in the Company up to an amount not exceeding in total 50% of the total number of issued Shares in the capital of the Company with a sub-limit of 20% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Personal data privacy

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 May 2016.

YUUZOO CORPORATION LIMITED

(Incorporated in Bermuda)
(Company Registration No.36658)

ANNUAL GENERAL MEETING
MEMBER PROXY FORM

I/We, ______________________________ (Name) ______________ (NRIC/Passport No.)

of ____

being a member/members of YuuZoo Corporation Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company, to be held at 87 Science Park Drive, Oasis, Level 4 Auditorium, Science Park I, Singapore 118260 on Friday, 27 May 2016 at 11:00 am and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

(If you wish to exercise all your votes 'For' or 'Against', please indicate with an 'X' within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015		
2	Approval of Directors' fees amounting to US$138,000 for the financial year ending 31 December 2016		
3	Re-election of Mr Mikael Stewen as a Director		
4	Re-election of Mr Thomas Zilliacus as a Director		
5	Share issue mandate		

Dated this ______________ day of ____________________ 2016

Total number of Shares in:	No. of Shares
Register of Members	

____

Signature(s) of Member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf

Notes:

1. A member should insert the total number of Shares registered in his/her name in the Register of Members of the Company. If no number is inserted, this instrument or form appointing a proxy or proxies will be deemed to relate to all the Shares in the capital of the Company registered in his/her name(s) in the Register of Members of the Company.

2. A member of the Company entitled to attend and vote at a meeting is entitled to appoint one proxy or two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the Company may treat the appointment as invalid unless the member specifies the proportion of his/her shareholding (expressed as percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy is an alternate to the first named.

4. The instrument or form appointing a proxy or proxies must be signed by the appointor or his duly authorised attorney in writing or, if the appointor is a body corporate, signed by an officer or attorney duly authorised or executed under its seal. Where the instrument or form appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or other authority (if any) under which it is signed or duly certified copy thereof must be lodged with the instrument or form, failing which the instrument or form may be treated as invalid.

5. A corporation which is a member may authorize by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the above meeting.

6. The instrument or form appointing proxy or proxies, duly executed, must be deposited at the office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. either by hand or by post to Six Battery Road #10-01, Singapore 049909 not less than 48 hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

7. The submission of an instrument or form appointing a proxy by a member of the Company shall not preclude him from attending and voting in person at the Annual General Meeting if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the rights to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

General:

The Company shall be entitled to reject this instrument or form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument or form appointing a proxy or proxies.