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DISPOSAL OF SILEX GROUP LIMITED

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*Unless otherwise defined herein, capitalised terms used in this announcement shall bear the same meanings used in the Company circular dated 24 June 2014 (the "Circular").*

**A. THE SILEX DISPOSAL**

The Board of Directors ("**Board**") of YuuZoo Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company completed the disposal of the entire issued and paid-up share capital of Silex Group Limited ("**Silex**") to May Global Business Group Inc. ("**MGBG**"), in accordance with the terms of the business disposal agreement dated 29 August 2014 entered into with MGBG ("**Silex Disposal**").

Accordingly, Silex has ceased to be a subsidiary of the Company.

**B. INFORMATION ON THE PURCHASER**

MGBG was originally the owner of Midland Silicon Company LLC ("**MSC**"), currently a subsidiary of Silex, prior to its sale of entire issued and outstanding share capital of MSC to the Company in 2012. Please refer to the Company's announcement dated 18 January 2012 for more information on MGBG.

**C. RATIONALE FOR THE SILEX DISPOSAL**

The Silex Disposal allows the Group to exit the silicon trading business, in order to focus entirely on the business of the YuuZoo Group following completion of the Proposed Exchange.

The business of the YuuZoo Group comprise of the development of online and mobile payment solutions, as well as mobile optimised but device agnostic targeted social e-commerce networks for businesses and consumers. For more information on the business of the YuuZoo Group, please refer to Section 4 (Business of the YuuZoo Group) of Appendix H to the Circular.

**D. CONSIDERATION FOR THE SILEX DISPOSAL**

The consideration for the Silex Disposal shall be S\$1.00. The consideration has been determined by the parties at arm's length and on a willing buyer, willing seller basis, taking into consideration *inter alia* the net tangible liabilities ("**NTL**") of Silex of approximately US\$48,769, based on the audited financial statement of Silex for FY2013. It has to be noted that this NTL include a US\$42,755 due to YuuZoo Corporation Limited (f.k.a as W-Corp limited) which won't be assumed by the Purchaser according to the agreement leading to an adjusted NTL of Silex of US\$6,013 once this receivable is written off)

The proceeds of the Silex Disposal are intended to be used towards the working capital of the Company.

**E. RELATIVE FIGURES FOR THE SILEX DISPOSAL**

The relative figures computed on bases as set out in Rule 1006 of the Listing Manual, and based on the unaudited consolidated pro forma financial statements of the Enlarged Group for FY2013, are as follows:

(a) Silex Disposal

<u>Rule 1006(a)</u> The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not meaningful <sup>(1)</sup>
<u>Rule 1006(b)</u> The net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not meaningful <sup>(2)</sup>
<u>Rule 1006(c)</u> The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	0% <sup>(3)</sup>
<u>Rule 1006(d)</u> The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

Notes:

- (1) The unaudited consolidated proforma net asset value of the Enlarged Group for the financial period ended 31 December 2013 was US\$36,501,107. The net tangible liability of Silex for the financial period ended 31 December 2013 was US\$48,769. Under Rule 1002(3) of the Listing Manual, "net assets" means total assets less total liabilities.
- (2) The unaudited consolidated proforma net profit of the Enlarged Group for the financial period ended 31 December 2013 was US\$2,689,792. The audited net loss of Silex for the financial period ended 31 December 2013 was US\$27,971. Under Rule 1002(3) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on the consideration received of S\$1.00 and the market capitalisation of the Company of approximately S\$69.1million as at 28 August 2014. Under Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue excluding treasury shares, being 69,135,910 ordinary shares in the capital of the Company ("**Shares**") on 28 August 2014, and the weighted average price of S\$0.5772 per Share on 28 August 2014.

## F. FINANCIAL EFFECTS OF THE SILEX DISPOSAL

The financial effects below have been prepared based on the unaudited consolidated pro forma financial statements of the Enlarged Group for FY2013 are purely for illustrative purposes and are not projections of the actual future financial performance or financial position of the Group after the Silex Disposal.



### Net Asset Value (“NAV”) / Net Tangible Liability (“NTL”) per Share

Assuming that the Silex Disposal had been completed on 31 December 2013 and based on the unaudited consolidated pro forma financial statements of the Enlarged Group for FY2013, the financial effects, which the Silex Disposal would have on the NAV per Share, are as follows:

	Before the Silex Disposal	After the Silex Disposal
NAV / NTL (US\$'000)	36,501	36,507
Number of Shares ('000) <sup>(1)</sup>	632,076	632,076
NAV / NTL per Share (US\$ cents)	5.77	5.78

Notes:

- (1) Based on 632,075,910 Shares, being the resultant share capital of the Company subsequent to completion of the Proposed Exchange.

### Earnings/Losses per Share

Assuming that the Silex Disposal had been completed on 1 January 2013 and based on the unaudited consolidated pro forma financial statements of the Enlarged Group for FY2013, the financial effects, which the Silex Disposal would have on the earnings per Share, are as follows:

	Before the Silex Disposal	After the Silex Disposal
Profit / (Loss) attributable to equity holders of the Company (US\$'000)	2,647	2,653
Number of Shares ('000) <sup>(1)</sup>	632,076	632,076
Profit / Loss per Share (US\$ cents)	0.42	0.42

Notes:

- (1) Based on 632,075,910 Shares, being the resultant share capital of the Company subsequent to completion of the Proposed Exchange.

### Book value and NTL of Silex and net loss on the Silex Disposal

The cost of investment in Silex in the accounts of the Company as at 31 December 2013 stands at USD1.00. The NTL of Silex as at 31 December 2013 is US\$27,971. The consideration is S\$1.00. Accordingly, the net gain on the Silex Disposal to the Company and the Group is nil and US\$48,770 respectively. Accordingly with the Business Disposal agreement executed the receivable from YuuZoo Corporation Limited (f.k.a as W-Corporation Limited) would be written off as not taken over by the Acquirer (May Global Business Group Inc.).

### G. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Silex Disposal.

## H. SERVICE CONTRACTS

There are no directors who are proposed to be appointed as a Director of the Company in connection with the Silex Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## I. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the business disposal agreement are available for inspection during normal business hours at the office of Company's Company Secretary, Tricor Evatthouse Corporate Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898 for a period of three (3) months from the date of this Announcement.

The Company will make further announcements to update the Shareholders as and when it deems appropriate.

BY ORDER OF THE BOARD



Thomas Zilliacus  
Executive Chairman  
12 December 2014

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