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

EQUITY INVESTMENT IN RELATIVITY HOLDINGS MEDIA LLC, AN INDEPENDENT MOVIE STUDIO AND ENTERTAINMENT GROUP

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1. INTRODUCTION

The board of directors (the "**Board**") of Yuuzoo Corporation Limited (the "**Company**") refers to the announcements released by the Company on 30 October 2016, 2 November 2016 and 11 November 2016 (the "**Announcements**") in relation to the Company's proposed equity investment in Relativity Holdings LLC. Further to the Announcements, the Board wishes to announce that the Company has entered into a binding term sheet and a letter of intent (collectively known as the "**Agreement**") with Relativity Holdings LLC ("**Relativity**") for the Company to invest a minimum amount of US$15 million (the "**Initial Equity Investment**"), with an option to invest an additional US$135 million (the "**Additional Equity Investment**") in Relativity (the Initial Equity Investment and the Additional Equity Investment collectively referred to as the "**Equity Investment**"). The Agreement shall supersede the term sheet and letter of intent dated 27 October 2016 entered between the Company and Relativity referred to in the Announcements.

2. INFORMATION ON RELATIVITY

Relativity was incorporated on 9 December 2008 under the laws of the state of Delaware as a limited liability company. Relativity is engaged in the development, production, financing, and distribution of feature films and television programmes.

Relativity Media LLC, Relativity Capital Holdings LLC, Relativity Media Holdings I LLC, Beverly Blvd LLC, Relativity Productions LLC, Relativity Distribution LLC, Relativity Real LLC, Relativity Rogue LLC, Relativity Jackson LLC, Relativity Sports Management LLC, Relativity Sports LLC, Relativity BAU, Madvine, Relativity Digital, Netflix Rent-A-System Relativity Music Group, Relativity EuropaCorp Distribution and Sky Land Entertainment Limited are wholly-owned or controlled subsidiaries of Relativity.

Relativity Media LLC (http://relativitymedia.com) is headquartered in Beverly Hills, California, USA. It was founded in 2004 by Lynwood Spinks and Ryan Kavanaugh, who still serves as the CEO of the Company.

Relativity Studios, the Company's largest division, has produced, distributed or structured financing for more than 200 motion pictures, generating more than US$17 billion in worldwide box office revenue and earning 60 Oscar nominations.

3. RATIONALE FOR AND BENEFITS OF THE EQUITY INVESTMENT

The proposed Equity Investment is in line with the Company's business strategy to add high quality media content for distribution through the Company's "YuuZoo" social e-commerce platform and for online and mobile payments to be made using the Company's "YuuPay" payment system. The Company has a global partnership and franchisee network covering 68

countries with more than 4 billion consumers, through which network the company will distribute the content and use its payment platform to collect the payments.

4. PARTICULARS OF THE ASSETS TO BE ACQUIRED, THEIR VALUATION AND NET PROFITS ATTRIBUTABLE TO THE ASSETS BEING ACQUIRED

4.1 In consideration for the Initial Equity Investment, the First Additional Investment (as defined below) and the Second Additional Investment (as defined below), and on a pro-rata basis, the Company and its affiliates (the "**Investors**") will be issued class-A preferred units (the "**Preferred Units**") in Relativity. The Preferred Units will be senior to all other existing units of equity in Relativity.

4.2 Subject to the fulfilment of the relevant conditions precedent detailed below:

(a) on the Initial Closing Date (as defined below), Relativity shall issue and sell 15,789,474 Preferred Units to the Company, representing 13.04% of the percentage interest in Relativity on a fully diluted basis;

(b) on the completion of the Initial Equity Investment on the Second Closing Date (as defined below), Relativity shall issue and sell an additional 36,842,105 Preferred Units to the Investors for a total of 52,631,579 Preferred Units representing a total of 33.33% of the percentage interest in Relativity on a fully diluted basis, subject to completion of the Second Additional Investment (as defined below), of which failure to complete in full shall result in the cancellation of 36,842,105 Preferred Units issued on the Second Closing Date.

5. PRINCIPAL TERMS OF THE PROPOSED EQUITY INVESTMENT

5.1 Consideration

The Company will invest a minimum of US$15,000,000 and up to US$150,000,000 in Relativity (the "**Consideration**"), comprising the following:

(a) Initial Closing

The Company shall pay the minimum sum of US$15 million in accordance with the following:

(i) upon the signing of the Agreement, a cash payment of US$10.0 million to be paid to Relativity (the "**Initial Closing Date**"); and

(ii) the issuance and allotment of such number of shares in the share capital of the Company, the aggregate value of which would amount to approximately US$5 million to be allotted and issued, based on the closing price on the last trading date preceding the date of the issuance and allotment of such shares.

Relativity shall not, on any given day, sell such number of shares on SGX-ST, the value of which would amount to more than US$1 million.

(b) Second Closing

Subject to the fulfilment of the Second Closing Conditions Precedent (as defined below), the Investors shall pay the sum of US$35 million in accordance with the following:

(i) on or before Wednesday, 7 December 2016 (the "**Second Closing Date**"), the Investors shall transfer US$19.5 million of which US$17.5 million shall be paid in cash to such bank account as provided by Relativity (the "**First Additional Investment**") and up to US$2 million in cash or such number of shares as the Investors may direct, based on the closing price on the last trading date preceding the date of the issuance and allotment of such shares; and

(ii) a further S$15.5 million to be paid over five subsequent months, beginning 2 January 2017, with each monthly payment being at least US$3 million, in a combination of cash or such number of shares at the Company's discretion (the "**Second Additional Investment**").

The Consideration was arrived at pursuant to arm's length negotiations between the Company and Relativity on a willing-buyer, willing-seller basis, after taking into account the financial position of Relativity and its working capital requirements.

The Consideration will be funded by a combination of debt financing and/or other fund raising exercise to be carried out by the Company.

5.2 Board Seat

Following the Initial Equity Investment, the Company will be entitled to one board seat out of four seats on the board of directors of Relativity, with the Company maintaining a minimum of one quarter of the board seats on the condition that the Company shall maintain a minimum of ten percent of equity in Relativity.

Following the Second Closing Date, the Investors will be entitled to receive two board seats out of five seats on the board of directors of Relativity, with the Investors maintaining a minimum of two-fifths of the board seats, on the condition that the Investors shall maintain a minimum of thirty percent of equity in Relativity.

The Investors shall be entitled to a majority of the board seats on the board of directors of Relativity upon completion of an Additional Equity Investment once the Investors hold a majority of the equity of Relativity on a fully diluted basis.

Should the Investors' equity holdings in Relativity fall below ten percent but be greater than five percent, the Company shall be entitled to one seat on the board of directors of Relativity, without specification as to the total number of seats on the board.

5.3 Management

Relativity's existing management shall stay in place, and there will be no consolidation of the operations of the Company and Relativity, unless the Company elects to exercise the Additional Equity Investment option in full.

5.4 Exclusivity

For a period of twenty four months from the Initial Closing Date, Relativity shall not accept any other equity investment without the prior written approval of the Company provided that (i) such approval of the Company shall not be unreasonably withheld, delayed or conditioned, (ii) such approval shall not be required for issuance of equity securities pursuant to the Relativity's profits interest unit agreement, or to such other potential investors as stated in the Agreement between Relativity and YuuZoo.

5.5 Distribution rights and use of the YuuPay online and mobile platform

The Company and Relativity have agreed that Relativity shall, *inter alia*:

(a) within 3 weeks from the Initial Closing Date, integrate the Company's "YuuPay" online and mobile payment platform as the payment platform for all of online and mobile payments by Relativity, its clients and its users, to use the YuuPay platform for all online and mobile payments upon completed integration of the systems;

(b) within 3 weeks from the Initial Closing Date, enter into a separate commercial agreement pursuant to which Relativity shall make available for distribution through the Company's "YuuZoo" platform, all of Relativity's film, TV, sport, fashion and music assets, including assets from all of the subsidiaries in which Relativity owns a majority stake;

(c) enter into a separate commercial agreement pursuant to which Relativity shall utilise the Company's "YuuTV" platform as the platform for the distribution of all of Relativity's content on smartphones, tablets and computers;

(d) enter into a separate commercial agreement pursuant to which Relativity shall use wherever and whenever possible, the Company's e-commerce, advertising and social networking platforms and content, services and merchandise as well as the Company's mobile games into the offering of whatever content Relativity offers to its partners, clients and users.

(e) enter into a separate commercial agreement pursuant to which Relativity shall market the "YuuZoo" platform in the United States of America;

(f) enter into a separate commercial agreement pursuant to which Relativity shall promote to all of the athletes, actors, musicians, models and celebrities (collectively, the "**Celebrities**") it works with, and to use its commercially reasonable efforts to get all such Celebrities to sign agreements with the Company for the use of the "YuuStar" app; and

(g) within 60 days from the Initial Closing Date, introduce the Company and its products and services to all its domestic and international partners.

5.6 Conditions Precedent

Initial Closing Conditions Precedent

(a) the payment of the S$10 million is conditional upon, *inter alia*, the receipt by the Company of a pay-off letter pertaining to the payoff balance on the Initial Closing Date; and

(b) a signing between Global Emerging Markets LLC ("**GEM**") and YuuZoo on the immediate drawdown of US$7,500,000, and an execution of the same.

Second Closing Conditions Precedent

(c) The completion of the Second Closing is further conditional upon, *inter alia*, the following conditions having been fulfilled (or waived in accordance with the Term Sheet, to the extent legally permissible):

(i) receipt of all consent and approvals required from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the Equity Investment and any other matter contemplated under the Agreement; and

(ii) completion of the existing corporate debt restructuring of Relativity.

5.7 Liquidation

In the event of any liquidation, distribution of net amounts received or to be received by Relativity or its equity holders, after the payments or satisfaction of necessary contractual obligations incurred in connection with such liquidity event (the "**Liquidity Proceeds**") shall be made pursuant to the following order of priority:

(a) the Company, as a holder of the Preferred Units, shall receive first dollar Liquidity Proceeds in the amount of its actual Equity Investment;

(b) Relativity's secured lenders as a holder of Preferred B shares; and

(c) to the extent any Liquidity Proceeds remain, each member (including Preferred A, Preferred B and common) shall receive distributions in accordance with such member's percentage.

6. RELATIVE FIGURES UNDER RULE 1006

6.1 Under Chapter 10 of the Listing Rules, transactions which are classified under any of the four categories specified in Rule 1004 of the Listing Rules will trigger certain obligations on the Company.

6.2 The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Rules in respect of the Initial Equity Investment and based on the latest announced audited financial statements of the Group for the period ended 31 December 2015 are as follows:

Rule	**Relative Figure**
Rule 1006(a) The net asset of the assets to be disposed of compared with the Company's net asset value	Not Applicable

Rule	Relative Figure
Rule 1006(b) The net profits attributable to the assets acquired compared with the Company's net profits	(101%)[(1)]
Rule 1006(c) The aggregate value of the consideration given or received compared with the Company's market capitalisation[(2)] on 23 November 2016, being the market day preceding the day on which the Agreement was entered into	18.3%
Rule 1006(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue[(3)]	6.2%

Notes:

1. This is computed based on the Company's proposed initial equity investment of US$15 million for 13.04% interest in Relativity Holdings LLC. The loss attributable to the assets acquired is S$32.9 million compared to the Company's profit of S$32.7 million for the financial year ended December 2015.

2. Pursuant to Rule 1002(5) of the Listing Rules, "market capitalisation" is calculated by the number of shares of the Company (excluding treasury shares), amounting to 719,298,755 shares, multiplied by the volume weighted average price of the Company's shares on 23 November 2016, market day preceding the day on which the Agreement was entered into. The Company's market capitalisation is approximately S$116,886,048, derived by multiplying the issued share capital of the Company of 719,298,755 shares by the volume weighted average price of such shares transacted on 23 November 2016, of S$0.1625.

3. For illustrative purpose only, as the issue price of such number of shares to be issued is based on the closing price on the last trading date preceding the date of the issuance and allotment of such shares, the Company has computed the total number of shares to be issued, the aggregate of which would amount to US$5 million, based on the issue price of S$0.16, being the closing price of the Company's shares on 24 November 2016, the date immediately preceding the date of this announcement.

6.3 As the relative figure in Rule 1006(b) computed above is negative, the Company will be writing in to consult with the SGX-ST.

7. FINANCIAL EFFECTS OF THE INITIAL EQUITY INVESTMENT

The pro forma financial effects of the Company after the Initial Equity Investment set out in this announcement below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company following the completion of the Initial Equity Investment.

The computation of the pro forma financial effects of the Initial Equity Investment have been prepared based on the audited consolidated financial statements of the Company and the unaudited consolidated pro forma financial statements of Relativity for the financial year ended 31 December 2015 and are based on the following assumptions:

(a) In calculation of the net tangible assets (the "**NTA**") and NTA per share, for illustrative purposes, it is assumed that the Initial Equity Investment had been effected on 31 December 2015;

(b) In calculation of the earnings per share (the "**EPS**"), for illustrative purposes, it is assumed that the Initial Equity Investment had been effected on 1 January 2015; and

(c) the Initial Equity Investment has been fully paid.

	Before Proposed Acquisition	**After Proposed Acquisition**
NTA attributable to owners of the Company (S$'000)	84,201	84,201
NTA per share (S$ cents)	13.32	13.32
Net profit attributable to owners of the Company (S$'000)	32,735	32,735
EPS (S$ cents) [(1)]	5.18	4.84
Number of issued shares [(2)]	632,222,000	676,784,500

Notes:

(1) EPS is calculated based on the consolidated profit/(loss) attributable to owners of the Company divided by the weighted average number of shares in issue during the financial year 2015.

(2) Number of issued shares is derived based on the weighted average number of shares in issue during the financial year 2015.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholding interests in the Company, none of the directors or controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Equity Investment (other than through their respective shareholding interests in the Company).

9. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the Equity Investment will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Equity Investment.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubts about the actions they should take.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Equity Investment, the Company and its subsidiaries, and the directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement is available for inspection during normal business hours at the Company's registered office at 20 Science Park Road # 03-11/14 Teletech Park, Science Park 2, Singapore 117674 for three months after the date of this announcement.

BY ORDER OF THE BOARD

Thomas Zilliacus
Executive Chairman
25 November 2016