



PRESS RELEASE

YuuZoo forms e-sport joint venture in China, partner commits to minimum 5 million active paying users and minimum 1.5 million RMB in profits in first 12 months

Key Highlights:

-JV partner XG AMA has existing relationships with over 3,000 online gaming bars in China

-Online gaming in China has a penetration rate of 59.5% among total internet users and 33% of mobile users¹

-In-game purchasing is a lucrative source of revenue, with 66% of gamers in China spending money on gaming each month.²

Singapore, June 4th, 2015: Singapore-listed YuuZoo Corporation ("**YuuZoo**" SGX: **AFC.SI**) one of the world's fastest growing third generation mobile social e-commerce companies, today announced it has formed a new joint venture company in China with XG AMA, a leading provider and organizer of e-sport events and related gaming activities through internet gaming bars and cafes in China. Under terms of the agreement XG AMA is committed to deliver a minimum of 5 million active paying users and a minimum profit of 1,5 million RMB in the first 12 months of operations.

The new joint venture company, "YuuGames" will sit within YuuZoo's virtual shopping mall, fully localized and mobile-optimized for China. It will be managed by Hu Zhi Xiang, the founder of XG AMA and one of the best-known pioneers and entrepreneurs in the internet gaming bar business in China.

YuuGames will target the over 146,000 internet gaming bars in China³ which serve some 120 million game players. XG AMA already has existing agreements with over 3,000 net bars in place. Most of these bars have thousands of individual members.

YuuGames will leverage these partner bars for an (O2O) business model, wherein the visitors of the partnerbars will become members of the YuuZoo social e-commerce network, effectively converting offline customers into online members of YuuZoo. YuuGames is developing a mobile app, which allows interaction between the bars and its users, helping the users find the location of the bar's and enable the user to reserve seats and arrange matches between e-sport teams. The app will also enable shopping, mobile games broadcast, game events and video screening, lottery games and voting on mobile for games and events.

At the end of 2013 the online gaming market was worth \$13.5 billion (82.1 billion RMB). This is expected to grow to 131 billion RMB by the end of 2015, with mobile gaming accounting for 33.8 billion⁴ of the total revenue. Experts predict that the rapidly growing number of smartphone users in the country will mean that mobile will continue to increase its share of the Chinese online gaming market. By 2018, it is expected that the gap in revenue share between online gaming and other gaming will close, with online gaming accounting for nearly

¹ Source: <http://www.marketmechina.com/growth-online-gaming-china/> (date: 14/2/2015)

² Source: <http://www.marketmechina.com/growth-online-gaming-china/> (date: 14/2/2015)

³ Source: http://www.chinadaily.com.cn/bizchina/2012-06/08/content_15485846.htm

⁴ Source: <http://www.statista.com/statistics/315067/china-online-gaming-services-market-size-by-platform/>



half⁵ of all gaming spend in the country. It is estimated that in 2015 there will be 266 million Chinese online gamers, spending at least 2 hours per month gaming⁶.

Commenting on YuuGames joint venture, Thomas Zilliacus, Chairman and CEO of YuuZoo said, “According to official statistics, there are 146,000 Internet gaming bars and around 120 million Internet gaming bar customers in China. About 45 million customers patronize the net bars each day. 80 per cent of them are playing games. They have an average age of 18~25. Gaming is one of our three strategic pillars to engage users and generate revenue”

“ We are very excited about the new joint venture with one of China’s leading entrepreneurs in the Internet gaming bar space. YuuZoo’s business in China is growing very rapidly. In less than one month, our Chinese social e-commerce site www.yuuzoo.cn has jumped in the global Alexa ranking by more than 11 million positions. YuuGames will increase the attractiveness even more, and contribute to revenue and MAU growth in the world’s largest market” he further added.

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ABOUT YUUZOO®:

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

ABOUT AMA:

Shanghai Xigu Network Technology Co., Ltd (AMA), founded in October 2014, is one of the largest advocates of Internet Café E-Sports Union and E-Sports Entertainment and Cultural Industry in China. AMA focuses in providing complete e-sports solution for the internet café e-sport industry. So far, AMA covers 18 provinces in China, operating and promoting events in more than 1,000 cities, with elite team members from game and e-sports industry. Its business scope includes traditional e-sports event organization, e-sport commentary, competition training, and game video playback etc.

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

⁵ Source: <http://www.pwc.com/gx/en/global-entertainment-media-outlook/segment-insights/video-games.jhtml>

⁶ Source: <http://www.forbes.com/sites/johngaudiosi/2012/04/03/the-majority-of-chinese-gamers-now-pay-for-online-gaming-content-every-month/>



Notes to the Editor:

According to 《996 手游网》, by 2012, the industry output value has reached RMB 10 billion yuan. Also, the latest information from E-sports association shows that 2013 global eSports players have increased to 1.55 billion⁷. This is 304 million players more than in 2012. The compound annual growth rate will increase to 6.7% from 2012 to 2016. It is estimated that there will be RMB 86 billion yuan business opportunities in 2016; no matter whether game companies or PC related products companies are entering this “battle field” E-sports business.

The growth of the Chinese E-sports market has been increasing and the development of online games are consistent, which is still growing at 15%~20% every year. By the end of 2014, the overall value of China gaming industry has exceeded 110 billion⁸, which is 30% more than in 2013. In addition, the game players have increased to 500 million⁹ rapidly. The paid users are up to 125 million¹⁰.

- <http://venturebeat.com/2014/10/04/the-evolution-of-chinese-internet-cafes/>
- <http://fortune.com/2015/02/05/southeast-asia-video-game-market/>

⁷ Source : <http://www.newzoo.com/press-releases/global-games-market-grows-to-86-1bn-in-2016/>

⁸ Source: <http://www.chinainternetwatch.com/12661/online-gaming-market-2014/>

⁹ Source: <http://www.chinainternetwatch.com/11208/apple-game-players-cost-triple-than-android-ones/>

¹⁰ Source: <http://www.newzoo.com/press-releases/new-study-reveals-key-differences-in-social-and-mobile-gaming-in-china-and-korea/>