

**Netccentric Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

|                   |   |
|-------------------|---|
| Name of entity:   | Netccentric Limited                             |
| ABN:              | 605927464                                       |
| Reporting period: | For the year ended 31 December 2020 (unaudited) |
| Previous period:  | For the year ended 31 December 2019             |

**2. Results for announcement to the market**

|   |    |      |    | S\$       |
|---|----|------|----|-----------|
| Revenues from ordinary activities   | up | 9%   | to | 7,941,880 |
| Profit from ordinary activities, net of tax attributable to the owners of Netccentric Limited | up | 101% | to | 1,803     |
| Profit for the year attributable to the owners of Netccentric Limited                         | up | 101% | to | 1,803     |

*Dividends*

There were no dividends paid, recommended or declared during the current reporting year.

*Comments*

The Group's revenue for the year-ended 31 December 2020 ("FY2020") was \$7.9 million (31 December 2019 ("FY2019"): \$7.3 million). Excluding disposed entities in FY2019, namely Nuffnang (Thailand) Co, Ltd and PT Nuffnang Indonesia Internasional, which contributed \$0.4 million in FY2019, the Group's revenue increased by 15%. This has been driven by our core influencer marketing business in Malaysia which increased by 21% from FY2019 and contributed 43% of our Group's revenue for FY2020.

Although FY2020 was a challenging year for most industries due to COVID-19, the Group managed to generate a profit before tax of \$0.1 million in FY2020 despite being in a loss-making position for the past few years. Furthermore, we also managed to maintain our margins at 48%. This is attributable to long-term strategies and the relationships with key partners that we have in place. Our strategy of diversifying and innovating our product offerings while ensuring that our existing businesses continue to be sustainable and profitable by focusing on optimizing our operations has also proven fruitful.

**3. Net tangible assets**

|   | Reporting<br>year<br>Cents | Previous<br>year<br>Cents |
|---|----------------------------|---------------------------|
| Net tangible assets per ordinary security | <u>1.65</u>                | <u>1.61</u>               |

**4. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current reporting year.

*Previous period*

There were no dividends paid, recommended or declared during the previous reporting year.

5. Details of associate

| Name of associate        | Reporting entity's percentage holding |                 | Contribution to profit/(loss) (where material) |                   |
|--------------------------|---------------------------------------|-----------------|--|-------------------|
|                          | Reporting year %                      | Previous year % | Reporting year S\$                             | Previous year S\$ |
| Nuffnang Philippines Inc | 40.00%                                | 40.00%          | N.M.   | N.M.              |

N.M. – Not material to the group.

6. Control gained over entity

| Name of entity                 | Date of control gained |
|--------------------------------|------------------------|
| Nuffnang Live Commerce Sdn Bhd | 27 November 2020       |

On 24 July 2020, the reporting entity acquired a 40% shareholding in the abovementioned entity by way of a joint venture agreement with two other parties. This was announced on the ASX on 24 July 2020.

Subsequently, on 27 November 2020, the reporting entity acquired control through a further 17.14% shareholding of the above-mentioned entity by way of an agreement to purchase a part of the shares held by one of the other shareholders, bringing the reporting entity's total shareholding to 57.14% on 27 November 2020. This was announced on the ASX on 27 November 2020.

|   | S\$'000 |
|---|---------|
| Contribution of such entity to the reporting entity's profit/(loss) from ordinary activities before income tax during the period              | (23)    |
| Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period | N/A     |

7. Status of audit

The financial statements are unaudited and are currently in the process of being audited by RSM Chio Lim LLP.

Yours faithfully



Ganesh Kumar Bangah  
Executive Director

Date: 23 February 2021

# **Netccentric Limited**

(Incorporated in Singapore. Registration Number: 200612086W)

## **and its subsidiaries**

ARBN 605927464

### **Preliminary financial statements for the year ended 31 December 2020**

**Netccentric Limited**  
**Consolidated Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2020**

|   | Note | <u>Group</u><br><u>2020</u><br>\$ | <u>2019</u><br>\$  |
|---|------|-----------------------------------|--------------------|
| <b>Revenue</b>  | 2    | 7,941,880                         | 7,274,194          |
| Cost of sales   |      | <u>(4,146,428)</u>                | <u>(3,788,706)</u> |
| <b>Gross profit</b>   |      | 3,795,452                         | 3,485,488          |
| Interest income   |      | 3,267                             | 14,970             |
| Other gains   |      | 202,390                           | 105,177            |
| Finance costs   |      | (7,008)                           | (11,467)           |
| Administrative and operating expenses                                 |      | (803,912)                         | (876,785)          |
| Employee benefits expense   |      | (2,981,818)                       | (2,882,539)        |
| Other losses  |      | (56,326)                          | (68,167)           |
| Share of profit from associates                                       |      | -                                 | 87,708             |
| Share of loss from joint venture                                      |      | <u>(10,785)</u>                   | <u>-</u>           |
| Profit/(loss) before income tax                                       |      | 141,260                           | (145,615)          |
| Income tax expense  |      | <u>(91,668)</u>                   | <u>(89,042)</u>    |
| Profit/(loss), net of tax   |      | <u>49,592</u>                     | <u>(234,657)</u>   |
| <b>Other comprehensive income (loss):</b>                             |      |                                   |                    |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |      |                                   |                    |
| Exchange differences on translating foreign operations, net of tax    |      | 32,201                            | 13,655             |
| <b>Other comprehensive income, net of tax</b>                         |      | <u>32,201</u>                     | <u>13,655</u>      |
| <b>Total comprehensive income (loss)</b>                              |      | <u>81,793</u>                     | <u>(221,002)</u>   |
| Profit/(loss) for the year, net of tax attributable to:               |      |                                   |                    |
| Owners of the parent  |      | 1,803                             | (319,880)          |
| Non-controlling interests   |      | 47,789                            | 85,223             |
| <b>Profit/(loss), net of tax</b>                                      |      | <u>49,592</u>                     | <u>(234,657)</u>   |
| Total comprehensive income (loss) for the year attributable to:       |      |                                   |                    |
| Owners of the parent  |      | 35,979                            | (306,079)          |
| Non-controlling interests   |      | 45,814                            | 85,077             |
| <b>Total comprehensive income (loss)</b>                              |      | <u>81,793</u>                     | <u>(221,002)</u>   |
| Profit/(loss) per share   |      | <u>Cents</u>                      | <u>Cents</u>       |
| Basic and diluted profit/(loss) per share                             | 4    | <u>0.0007</u>                     | <u>(0.12)</u>      |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Netccentric Limited**  
**Consolidated Statement of financial position**  
**As at 31 December 2020**

|  | Note | <u>Group</u><br><u>2020</u><br>\$ | <u>2019</u><br>\$ |
|--|------|-----------------------------------|-------------------|
| <b>ASSETS</b>                                      |      |                                   |                   |
| <b><u>Non-current assets</u></b>                   |      |                                   |                   |
| Plant and equipment                                |      | 379,971                           | 446,806           |
| Intangible assets                                  |      | 88,240                            | 74,974            |
| Investments in associate                           |      | 154,591                           | 154,591           |
| Deferred tax assets                                |      | 41,504                            | 691               |
| <b>Total non-current assets</b>                    |      | <u>664,306</u>                    | <u>677,062</u>    |
| <b><u>Current assets</u></b>                       |      |                                   |                   |
| Trade and other receivables                        |      | 2,207,309                         | 1,871,005         |
| Other assets                                       |      | 120,885                           | 128,848           |
| Cash and cash equivalents                          |      | 3,376,785                         | 3,135,870         |
| <b>Total current assets</b>                        |      | <u>5,704,979</u>                  | <u>5,135,723</u>  |
| <b>Total assets</b>                                |      | <u>6,369,285</u>                  | <u>5,812,785</u>  |
| <b>LIABILITIES</b>                                 |      |                                   |                   |
| <b><u>Non-current liabilities</u></b>              |      |                                   |                   |
| Deferred tax liabilities                           |      | -                                 | 7,433             |
| Financial liabilities – lease liabilities          |      | 72,241                            | 115,555           |
| <b>Total non-current liabilities</b>               |      | <u>72,241</u>                     | <u>122,988</u>    |
| <b><u>Current liabilities</u></b>                  |      |                                   |                   |
| Income tax payable                                 |      | 24,891                            | 17,345            |
| Trade and other payables                           |      | 1,289,041                         | 1,228,687         |
| Financial liabilities – lease liabilities          |      | 99,807                            | 115,530           |
| Other liabilities                                  |      | 461,495                           | 25,696            |
| <b>Total current liabilities</b>                   |      | <u>1,875,234</u>                  | <u>1,387,258</u>  |
| <b>Total liabilities</b>                           |      | <u>1,947,475</u>                  | <u>1,510,246</u>  |
| <b>NET ASSETS</b>                                  |      | <u>4,421,810</u>                  | <u>4,302,539</u>  |
| <b><u>EQUITY</u></b>                               |      |                                   |                   |
| Share capital                                      | 3    | 13,797,086                        | 13,797,086        |
| Accumulated losses                                 |      | (9,706,893)                       | (9,936,696)       |
| Share option reserve                               |      | -                                 | 228,000           |
| Foreign currency translation reserves              |      | (358,289)                         | (392,465)         |
| <b>Equity attributable to owners of the parent</b> |      | <u>3,731,904</u>                  | <u>3,695,925</u>  |
| Non-controlling interests                          |      | 689,906                           | 606,614           |
| <b>Total equity</b>                                |      | <u>4,421,810</u>                  | <u>4,302,539</u>  |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Netccentric Limited**  
**Consolidated Statement of changes in equity**  
**For the year ended 31 December 2020**

| <b>Group:</b>  | <b>Total equity</b> | <b>Attributable to parent</b> | <b>Share capital</b> | <b>Retained earnings</b> | <b>Share option reserves</b> | <b>Foreign currency translation reserves</b> | <b>Non-controlling interests</b> |
|--|---------------------|-------------------------------|----------------------|--------------------------|------------------------------|--|----------------------------------|
|  | <b>\$</b>           | <b>\$</b>                     | <b>\$</b>            | <b>\$</b>                | <b>\$</b>                    | <b>\$</b>                                    | <b>\$</b>                        |
| <b>Current year:</b>   |                     |                               |                      |                          |                              |  |                                  |
| Balance at 1 January 2020  | 4,302,539           | 3,695,925                     | 13,797,086           | (9,936,696)              | 228,000                      | (392,465)                                    | 606,614                          |
| <b>Movements in equity:</b>  |                     |                               |                      |                          |                              |  |                                  |
| Total comprehensive income / (loss) for the year                   | 81,793              | 35,979                        | -                    | 1,803                    | -                            | 34,176                                       | 45,814                           |
| Acquisition of a non-controlling interest with a change in control | 37,478              | -                             | -                    | -                        | -                            | -  | 37,478                           |
| Expiry of share options  | -                   | -                             | -                    | 228,000                  | (228,000)                    | -  | -                                |
| <b>Balance at 31 December 2020</b>                                 | <b>4,421,810</b>    | <b>3,731,904</b>              | <b>13,797,086</b>    | <b>(9,706,893)</b>       | <b>-</b>                     | <b>(358,289)</b>                             | <b>689,906</b>                   |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

Netccentric Limited  
 Statements of changes in equity  
 For the year ended 31 December 2020

| <u>Group:</u>                                   | <u>Total equity</u><br>\$ | <u>Attributable to parent Sub-total</u><br>\$ | <u>Share capital</u><br>\$ | <u>Retained earnings</u><br>\$ | <u>Share option reserves</u><br>\$ | <u>Foreign currency translation reserves</u><br>\$ | <u>Non-controlling interests</u><br>\$ |
|---|---------------------------|---|----------------------------|--------------------------------|------------------------------------|--|--|
| <b>Current year:</b>                            |                           |   |                            |                                |                                    |  |  |
| Balance at 1 January 2019                       | 4,730,061                 | 3,990,378                                     | 13,797,086                 | (9,616,816)                    | 228,000                            | (417,892)  | 739,683                                |
| <b>Movements in equity:</b>                     |                           |   |                            |                                |                                    |  |  |
| Total comprehensive loss for the year           | (221,002)                 | (306,079)                                     | -                          | (319,880)                      | -                                  | 13,801   | 85,077                                 |
| Disposal of subsidiaries with change in control | (182,752)                 | 11,626  | -                          | -                              | -                                  | 11,626   | (194,378)                              |
| Dividend paid to non-controlling interests      | (23,768)                  | -   | -                          | -                              | -                                  | -  | (23,768)                               |
| <b>Balance at 31 December 2019</b>              | <b>4,302,539</b>          | <b>3,695,925</b>                              | <b>13,797,086</b>          | <b>(9,936,696)</b>             | <b>228,000</b>                     | <b>(392,465)</b>                                   | <b>606,614</b>                         |

The above statements of changes in equity should be read in conjunction with the accompanying notes

**Netccentric Limited**  
**Notes to the financial statements**  
**31 December 2020**

|   | <b>Group</b>            |                         |
|---|-------------------------|-------------------------|
|   | <b>2020</b>             | <b>2019</b>             |
|   | <b>\$</b>               | <b>\$</b>               |
| <b><u>Cash flows from operating activities</u></b>                        |                         |                         |
| Profit/(loss) before income tax   | 141,260                 | (145,615)               |
| Adjustments for:  |                         |                         |
| Depreciation of plant and equipment                                       | 79,682                  | 101,498                 |
| Depreciation of right-of-use-assets                                       | 106,697                 | 110,750                 |
| Loss (gain) on disposal of plant and equipment                            | 17,077                  | (6,909)                 |
| Write off of plant and equipment  | -                       | 6,827                   |
| Allowance for doubtful debts  | 17,199                  | -                       |
| Loss on disposal and strike off of subsidiaries                           | -                       | 52,534                  |
| Loss on step up of interest in joint venture                              | 22,050                  | -                       |
| Share of profit from associate  | -                       | (87,708)                |
| Share of loss from joint venture  | 10,785                  | -                       |
| Interest income   | (3,267)                 | (14,970)                |
| Interest expense  | 7,008                   | 11,467                  |
| Unrealised currency translation differences                               | (25,021)                | -                       |
| Operating cash flows before changes in working capital                    | 373,470                 | 27,874                  |
| Other assets  | 8,951                   | 23,627                  |
| Trade and other receivables   | (431,651)               | 147,017                 |
| Trade and other payables  | 34,873                  | (275,269)               |
| Other liabilities   | 435,799                 | (43,739)                |
| Net cash flows used in operations   | 421,442                 | (120,490)               |
| Income tax (paid) recovered   | (49,040)                | 29,168                  |
| Net cash from (used in) operating activities                              | <u>372,402</u>          | <u>(91,322)</u>         |
| <b><u>Cash flows from investing activities</u></b>                        |                         |                         |
| Dividend from associate   | -                       | 16,578                  |
| Interest received   | 3,267                   | 14,970                  |
| Proceeds from disposal of plant and equipment                             | 507                     | 12,360                  |
| Purchase of property, plant and equipment                                 | (74,712)                | (128,087)               |
| Acquisition of joint venture  | (67,813)                | -                       |
| Step up of interest in joint venture, net of cash paid                    | 78,503                  | -                       |
| Disposal of subsidiaries  | -                       | (232,447)               |
| Net cash from investing activities  | <u>(60,248)</u>         | <u>(316,626)</u>        |
| <b><u>Cash flows from financing activities</u></b>                        |                         |                         |
| Dividend paid to non-controlling interests                                | -                       | (23,768)                |
| Lease liabilities – principal portion paid                                | (115,161)               | (115,839)               |
| Interest paid   | (7,008)                 | (11,467)                |
| Movements in amounts due to director                                      | -                       | (92)                    |
| Movements in amounts due to shareholder                                   | -                       | 6,224                   |
| Movements in amounts due to/from related parties                          | -                       | (74,130)                |
| Net cash used in financing activities                                     | <u>(122,169)</u>        | <u>(219,072)</u>        |
| <b>Net increase (decrease) in cash and cash equivalents</b>               | 189,985                 | (627,020)               |
| Cash and cash equivalents at the beginning of reporting year              | 3,135,870               | 3,747,554               |
| Effects of currency translation on cash and cash equivalents              | 50,930                  | 15,336                  |
| <b>Cash and cash equivalents, statement of cash flows, ending balance</b> | <u><u>3,376,785</u></u> | <u><u>3,135,870</u></u> |



## **Note 1. Significant accounting policies**

### **Statement of Compliance**

The Appendix 4E preliminary financial statements (“financial statements”) for the year ended 31 December 2020 have been prepared in accordance with ASX listing rules and the recognition and measurement criteria of the Singapore Financial Reporting Standards (“SFRS”) and the related Interpretations to SFRS (“INT SFRS”) as issued by the Singapore Accounting Standards Council.

### **Basis of preparation**

The financial statements have been prepared on applicable going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values). The accounting policies and methods of computation adopted in the preparation of the preliminary financial statements are consistent with those adopted and disclosed in the consolidated entity’s half yearly financial statements as at 30 June 2020.

The financial statements are presented in Singapore dollars.

## **Note 2. Segment Reporting**

For management purposes, the group is organised into the following major strategic operating segments that offer different products and services: (1) Influencer Platform, (2) Display Ad Network, (3) Social Media Agency, (4) Digital Asset Production and (5) Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The principal segments and type of products and services are as follows:

|                                  |   |
|----------------------------------|---|
| (1) Influencer Platform          | Enables advertisers to engage social media influencers to promote their products and services.  |
| (2) Display Ad Network           | Enables advertisers to promote their products or services across a network of over 950,000 sites that attract over 35 million visitors per month.         |
| (3) Social Media Agency          | Digital marketing agency specialising in social media strategy and campaign management for advertisers.   |
| (4) Digital Asset Production     | Boutique all-in-one digital media production house specialising in web design and development; print and graphic designs; and corporate identity designs. |
| (5) Performance Marketing Agency | Performance marketing agency specialising in the manufacture and construction of advertising devices through any media.                                   |
| (6) Others                       | Others including media production house and mobile blogging applications.   |

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market benchmark. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The following tables illustrate the information about revenue by operating segments and countries.

**Netccentric Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 2. Segment Reporting (cont'd)**

**Operating segments**

|                              | <u>2020</u>      | <u>2019</u>      |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| Influencer Platform          | 4,579,344        | 4,666,782        |
| Display Ad Network           | 3,779            | 2,799            |
| Digital Asset Production     | 291,354          | 286,476          |
| Social Media Agency          | 1,654,629        | 1,371,884        |
| Performance Marketing Agency | 1,412,736        | 928,753          |
| Others                       | 38               | 17,500           |
| Total                        | <u>7,941,880</u> | <u>7,274,194</u> |

**Country**

|           |                  |                  |
|-----------|------------------|------------------|
| Malaysia  | 6,513,254        | 5,078,102        |
| Taiwan    | 1,323,577        | 1,044,530        |
| Singapore | 105,049          | 799,046          |
| Thailand  | -                | 238,465          |
| Indonesia | -                | 114,051          |
| Total     | <u>7,941,880</u> | <u>7,274,194</u> |

**Note 3. Share Capital**

| <u>Group and company</u>                       | <u>Number of shares issued</u> | <u>Share capital</u> |
|--|--------------------------------|----------------------|
|  |                                | \$                   |
| Ordinary shares:                               |                                |                      |
| Balance at 1 January 2020 and 31 December 2020 | <u>262,500,000</u>             | <u>13,797,086</u>    |

**Note 4. Profit/(Loss) per share**

The following table illustrates the numerators and denominators used to calculate basic and diluted profit/(loss) per share of no par value:

|  | <u>2020</u>        | <u>2019</u>        |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| A. Numerator: profit/(loss) attributable to equity:                        |                    |                    |
| Continuing operations:   |                    |                    |
| Total basic and diluted profit/(loss) attributable to owners of the parent | <u>1,830</u>       | <u>(319,880)</u>   |
| B. Denominator: weighted average number of equity shares                   |                    |                    |
| Basic and diluted  | <u>262,500,000</u> | <u>262,500,000</u> |
|  | <u>Cents</u>       | <u>Cents</u>       |
| Basic and diluted profit/(loss) per share                                  | <u>0.0007</u>      | <u>(0.12)</u>      |

The weighted average number of equity shares refers to shares in circulation during the reporting period.

The basic profit/(loss) per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. There is no difference between the basic and diluted weighted average number of shares.