Netccentric Limited

ANNUAL REPORT 2016

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CORPORATE DIRECTORY

DIRECTORS

MARTYN THOMAS
Chairman and Independent Director

CHEO MING SHEN
Independent and Non-Executive Director

TIAH EWE TIAM
Independent and Non-Executive Director

KEVIN TSAI SHAO CHUNG
Independent and Non–Executive Director

PIERRE PANG HEE TA
Independent and Non–Executive Director

AUDIT COMMITTEE

MARTYN THOMAS (CHAIRMAN)
KEVIN TSAI SHAO CHUNG
PIERRE PANG HEE TA

COMPANY SECRETARY

JOHN MORRISON
Grange Consulting Group Pty Ltd
945 Wellington Street
West Perth
Western Australia 6005

REGISTERED OFFICE

NETCCENTRIC LIMITED
38 Kinta Road, #02–03,
Kinta Suites
Singapore 219107

SHARE REGISTRY

LINK MARKET SERVICES LIMITED
Level 12,
680 George Street
Sydney NSW 2000
Australia

AUDITOR

RSM CHIO LIM LLP
Public Accountants and
Chartered Accountants
8 Wilkie Road
#03–08 Wilkie Edge
Singapore 228095

Partner–in–charge: Paul Lee Seng Meng
Effective from reporting year ended 31 December 2016

BANKERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
UNITED OVERSEAS BANK LIMITED

ABOUT NETCCENTRIC LIMITED

NETCCENTRIC LIMITED ("NETCCENTRIC" OR THE "COMPANY")

is a digital media business established in 2006, which has grown its revenues by 3.4% in the last year to SGD12.5 million in 2016. Netccentric operates six businesses in the digital advertising sector across multiple geographies, with the key markets being Malaysia, Singapore and Australia.

NETCCENTRIC OFFERS ITS ADVERTISERS THE FOLLOWING KEY SERVICES:

(a) Influencer Platform (approximately 74% of FY2016 revenue);
(b) Display Ad Network (approximately 1% of FY2016 revenue);
(c) Social Media Agency (approximately 15% of FY2016 revenue); and
(d) Digital Asset Production (approximately 9% of FY2016 revenue).

NUFFNANG

Nuffnang is one of APAC's largest blog advertising communities allowing Advertisers to promote their products or services across a network of over 950, 000 highly targeted blogs ("Publishers").

CHURPCHURP

Churp Churp is one of South East Asia's leading networks of social media influencers allowing Advertisers to promote their products or services across a network of over 230, 000 social media influencers ("Publishers").

REELITY

Reelity.TV produces online video content for Advertisers for distribution through social networks.

SASHIMI

Sashimi is a social media agency specialising in purchasing media, and monitoring and managing social media accounts for a range of Advertisers.

RIPPLEWERKZ

RippleWerkz is a boutique all–in–one digital media production house.

It supports Advertisers' creative needs through its digital expertise across mobile applications, web design and development.

DAYRE

Dayre is a mobile blogging application allowing users to create narratives, interact with other users and publicise their content.

NOM NOM MEDIA

Nom Nom Media is a social media advertising agency that offers brands an all–inclusive social media solution tailored to suit their objectives.

CHAIRMAN'S LETTER

Martyn Thomas
CHAIRMAN

Dear Shareholder,

Welcome to our second annual report for the full year 2016.

The focus for 2016 was to drive our strategic growth plans by expanding our operations and capitalising on the ongoing growth of social network advertising market in the Asia Pacific region.

Although faced with challenges, we realised this focus together with a very clear vision on how to capitalise on Netccentric's unique position and capability in the market going forward.

We are at a pivotal time in marketing where brands are becoming less ardent about squeezing money out of consumers in favour of giving customers who care about them a way to show it.

Currently, we find ourselves in an era where a brand is defined by those who experience it. The most credible form of advertising comes straight from the people we know and trust. Over 80% of people say that recommendation from friends and family are the most trusted form of advertising (Nielsen).

Influencer marketing is no longer optional.

The market is clearly looking for an integrated approach with a strong product and smart technology to provide improved value propositions.

In turn with our new CEO, Desmond Kiu and his team supporting him, I believe we are very well placed to deliver a more consolidated service and product offering in the Asia Pacific market which can provide a better value proposition for marketers at scale.

In the shorter term we can expect to see Netccentric consolidate its focus and vision by way of investing in strong emerging markets such as Indonesia in addition to further supporting our markets with strong growth such as Australia and Taiwan.

Chairman's Letter

We can also expect to see a consolidation of resources between our companies to drive synergies, integration and savings including our Regional team where the focus will be to add value & drive local market revenue growth in favour of standardisation.

I'd like to thank you, as a shareholder, for your support this year and I anticipate sharing Netccentric's exciting developments as we look to the future.

Sincerely,

Chairman

CEO'S REPORT

Desmond Kiu
CHIEF EXECUTIVE OFFICER

The 2016 financial year was a year of transition for Netccentric and despite the challenges in our traditional markets, the Group achieved revenue of SGD12.5 million.

This result was based on a number of achievements including:

- Continued innovation in the way we deliver our clients' media campaigns – by capitalising on new platform developments within Facebook, Instagram and Snapchat (amongst others).
- Strategic investments on recruiting experienced & capable company directors in markets like Thailand and Australia, who have successfully driven better profitability.
- Increased automation with internal processes and introduction of measurement systems to enhance operational efficiency.

With our expansionary efforts into other markets and a tightening of margins, the Group has recently reassessed its profile and strategy to create a business that is stronger and more sustainable.

A number of steps are to be taken to accelerate this new focus strategy, namely being;

- Integrating services offered by the different entities within the Group and embracing the larger digital/social eco-system (which includes online marketplaces, messenger apps, & social communities) to drive more tangible results for our clients.
- Usage of real-time data to enhance every stage of our service cycle from research, strategic planning and creative asset production to media distribution, campaign optimisation, measurements and analytics. Technology will be the catalyst in enabling a seamless experience in data extraction, structuring and analysis.
- The voice of a community is far greater than the voice of any individual. We will start to develop synergies, to drive greater impact and bigger wins for marketers, by consolidating the voices of all our influencer communities.

From our review of the operations for the year, we noted particular highlights in Taiwan and Malaysia.

CEO's Report

In Malaysia, there were continuous efforts in enhancing our value proposition – for instance, the successful partnership with MIG, which expanded our influencer community significantly. Our newly introduced employee engagement programs also saw our staff retention rate increase by 100%.

In Taiwan, we successfully developed stable revenue streams and a healthy clientele within just four months of operating – paving a strong path towards profitability in the very near future.

Additionally, a subsidiary of the Group Sashimi (focusing on digital marketing) was able to grow its year on year revenue by 96% despite the challenges the group as a whole faced. We will continue to focus on these successful areas of the business and drive further development into our market share.

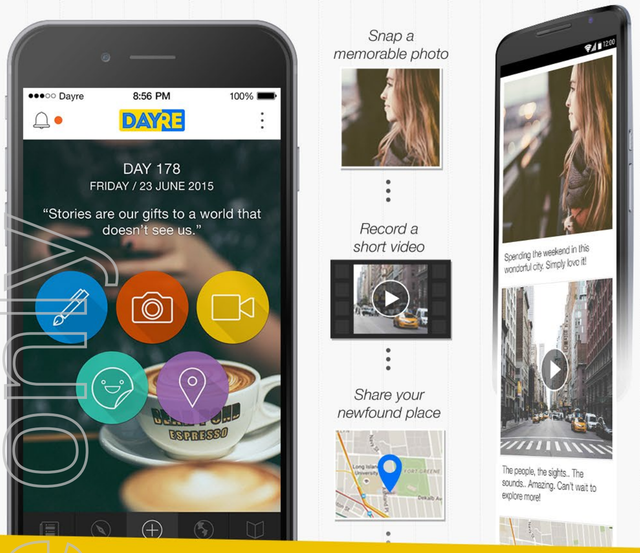
In closing, I would like to take this opportunity on behalf of the executive team to thank our loyal shareholders for their ongoing support, the board for its continued guidance and our staff for their dedication to Netccentric. I look forward to leading the team in 2017 and beyond.

Sincerely,

Chief Executive Officer

DAYRE

FACT SHEET



WHAT IS DAYRE?

Dayre puts together all the pieces of your day to tell your story.

Posting a series of simple micro-updates as your day goes by is all you need to get started.

Choose between writing a blurb, snapping a photo, recording a video, posting a sticker, or checking into a location to express what's going on.

WHY DAYRE?

Blog long-form on the mobile device easily.

Write some text

Snap a photo

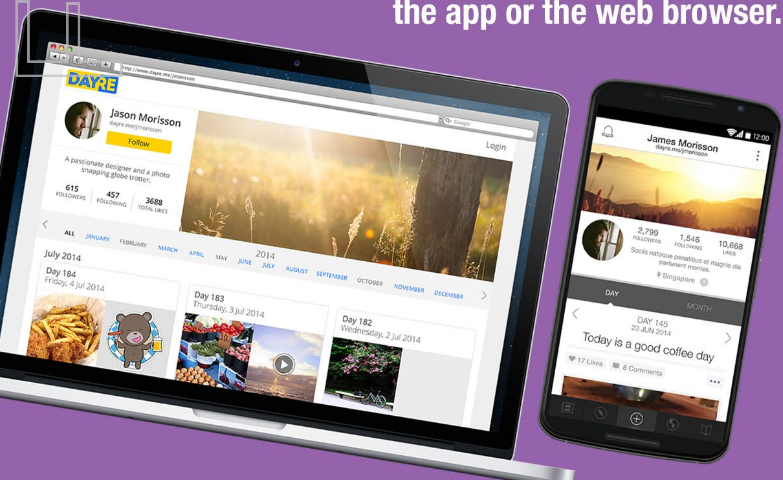
Shoot a video

Use a sticker

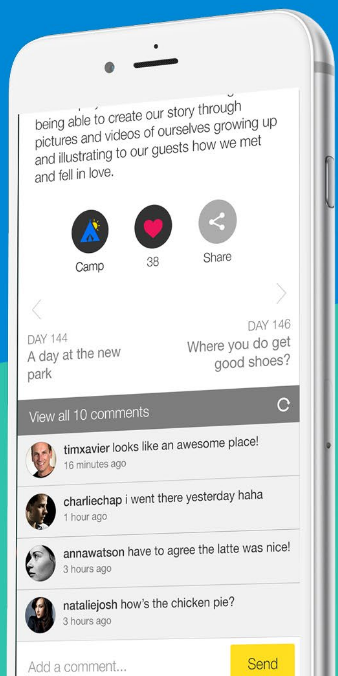
Share a location

Real-time updates for your readers.

Universally accessible via the app or the web browser.



Innovative features like the ability to camp.



Instant gratification from your audience.

DAYRE

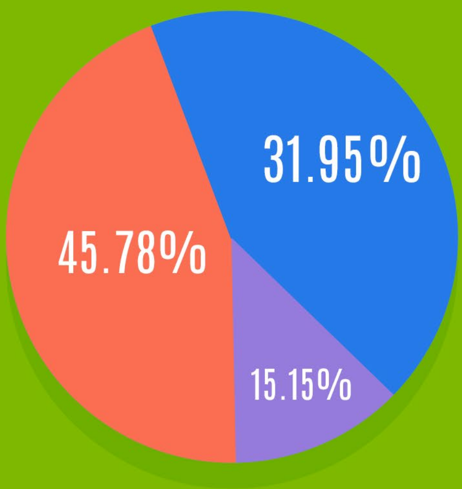
FACT SHEET

TOTAL DOWNLOADS
640,172

TOTAL REGISTERED USERS
473,136

MALAYSIA	SINGAPORE	THAILAND
232,418	133,418	17, 663

U.S.A	U.K	AUSTRALIA
24, 043	5, 553	7, 114



- **18-24** years old
- **25-45** years old
- **35-44** years old

2016 STATS

UNIQUE POSTS	COMMENTS POSTED	TOTAL LIKES
6.1MIL	6.3MIL	24.6MIL

DIRECTORS' REPORT

Martyn has more than 30 years of experience in the media and advertising industry. Since 2000, Martyn has served as Managing Director of FRANk Media Pty Ltd, a Melbourne–based integrated full service media agency. FRANk Media has worked with a range of major brands including Ansell, Gaggenau, High Sierra, Samsonite, and Vileda. Previously, he was Media Director at The Campaign Palace and Media Group Head at J. Walter Thompson.

Martyn has been a Director of Nuffnang Australia Pty Ltd since 2008. He is also a 41% owner (which he and his wife hold equally through a holding company, Initiative Outdoor Pty Limited) of Tomeel Pty Ltd, Nuffnang Australia Pty Ltd's joint venture partner in Australia.

Ming Shen is the Co–Founder and Non-Executive Director of Netccentric. As Co–Founder and Non-Executive Director, Ming created and grew the first core suite of businesses for the Company: Nuffnang, Churp Churp and RippleWerkz. He conceived and implemented the Nuffnang and Churp Churp talent program, which has secured exclusive access to over 350 top bloggers and influencers in the region, cementing Netccentric's position as a market leader in social media influencers. He also led the ideation, creation and implementation of mobile blogging app Dayre. Ming currently leads the creation and implementation of regional and horizontal expansion strategies for the Company.

Together with Tiah Ewe Tiam, Ming was named as one of Asia's 25 Best Young Entrepreneurs by Bloomberg Businessweek in 2007. In 2015, Ming was awarded with the Spirit of Enterprise Award in Singapore.

Ming has a Bachelor of Science (Honours) in Government and Economics from the London School of Economics.

Ming has resigned from his role as CEO and an Executive Director on 27 January 2017 and was appointed as a Non-Executive Director on the same date.

Directors' Report

Ewe Tiam is the Co–Founder and Non-Executive Director of Netccentric. As Co–Founder and Non-Executive Director, Ewe Tiam created and implemented monetisation strategies and product lines for the Company's businesses. He was responsible for setting up an associate company in the Philippines, Thailand, China and Australia. He also established Sashimi and Reelity.TV in Malaysia as part of Netccentric's horizontal expansion strategies. Ewe Tiam currently leads the regional office to replicate and implement strategies across all countries.

Together with Cheo Ming Shen, Ewe Tiam was named one of Asia's 25 Best Young Entrepreneurs by Bloomberg Businessweek in 2007. In 2015, Ewe Tiam won the Ernst & Young Entrepreneur of the Year Award under the Emerging category in Malaysia.

Ewe Tiam has a Bachelor of Science in Economics from University College London.

Ewe Tiam has resigned from his role as an Executive Director on 1 November 2016 and was appointed as a Non-Executive Director on the same date.

Pierre was appointed to the Board of the Company in May 2015.

Pierre is the Group General Manager of Sales & Marketing of Mamee Double Decker Sdn Bhd. As Group General Manager, he oversees group commercial activities over 80 countries. He also serves as Managing Director of MDD Beverage Sdn Bhd, a beverage subsidiary of Mamee Double Decker.

Prior to joining Mamee Double Decker and MDD, Pierre started and ran a digital and advertising agency, Eightedge Solutions, offering a wide array of new media solutions. Eightedge Solutions was contracted by both local and multi–national corporations including KFC OSK Holdings, Tune Group and global recruitment agency Kelly Services. In 2007, Eightedge Solutions was acquired by Mamee Double Decker, where he continued managing and leading the agency while also assuming a senior marketing role for MDD's snacks division. Pierre also worked for OgilvyOne Worldwide in Kuala Lumpur.

Pierre has a Bachelor of Information Systems (Honours) from the University of Melbourne. In 2011 he completed the Program for Leadership Development at Harvard Business School.

Kevin was appointed to the Board of the Company in May 2015.

Kevin is the President of Want Want China Times Group ("WWCTG"). WWCTG is a leading Taiwanese multiple platform media company with presence in broadcast television, magazine and newspaper publishing and online. He is a Non–Executive Director of Want Want China Holdings Limited, a food and beverage company listed on the Hong Kong Stock Exchange, and Vice Chairman of Union Insurance Company Limited.

Directors' Report

Chief Executive Officer

Desmond is the Chief Executive Officer of Netccentric appointed on 3 March 2017 and Founder of Sashimi Asia, a digital marketing agency with operations in Malaysia, Singapore and Indonesia. He also co-founded a social media content production house before establishing Sashimi.

Prior to his own ventures, Desmond pioneered the establishment of a social media department within GroupM and served as the Head of Digital at Mindshare, the single largest media agency in Malaysia.

Desmond has a Bachelor of Business Information Systems from Swinburne University of Technology, Melbourne.

Corporate Secretary

John Morrison is a Chartered Accountant where he specialises in providing corporate advisory and financial management services for companies in the mining, technology and innovation industries. He is currently the Chief Financial Officer of a number of ASX listed companies and has significant experience in statutory reporting and commercial transactions. His prior experience includes being in management of a leading accounting firm where he spent several years in their assurance and advisory division.

ATTENDANCE AT BOARD MEETINGS

	Mtg Date 27/1/16	Mtg Date 24/2/16	Mtg Date 30/3/16	Mtg Date 27/4/16	Mtg Date 25/5/16	Mtg Date 29/6/16	Mtg Date 27/7/16	Mtg Date 31/8/16	Mtg Date 28/9/16	Mtg Date 26/10/16	Mtg Date 2/12/16
Director											
Martyn Thomas	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗
Cheo Ming Shen	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Tiah Ewe Tiam	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pierre Pang Hee Ta	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Kevin Tsai Shao Chung	✓	✓	✗	✗	✗	✗	✓	✗	✓	✓	✓

	Eligible	Director Attended
Director		
Martyn Thomas	11	9
Cheo Ming Shen	11	10
Tiah Ewe Tiam	11	11
Pierre Pang Hee Ta	11	10
Kevin Tsai Shao Chung	11	6

CORPORATE GOVERNANCE

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Recommendations").

The Company's main corporate governance policies and practices as at the date of this annual report are detailed below:

Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

IN GENERAL, THE BOARD ASSUMES (AMONGST OTHERS) THE FOLLOWING RESPONSIBILITIES:

(a) setting objectives, goals and strategic direction with a view to maximising investor value;
(b) oversight of control and accounting systems;
(c) monitoring investment policies;
(d) approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments;
(e) preparing annual operating and capital expenditure budgets for Netccentric;
(f) considering financial statements and reports for publication;
(g) monitoring financial performance;
(h) reviewing, ratifying and monitoring systems of risk management, internal compliance and control, codes of conduct, and external compliance;
(i) monitoring financial and other reporting;
(j) monitoring the implementation of business standards and codes of ethical behaviour;
(k) monitoring and approving financial benefits to related parties;

Corporate Governance

(l) determining the independence of Non–Executive Directors;

(m) determining the process of evaluation of the performance of the Board, its committees and Directors;

(n) monitoring and evaluating the desirable competencies of the Directors, including the range and experience of the Directors;

(o) considering Board succession planning issues; and

(p) appointing, reviewing and monitoring the independence of the external auditors.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of five Non–Executive Directors (each of whom is independent and two whom are significant shareholders).

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advise

Subject to the Chairman's approval (not to be unreasoneably withheld), the Directors, at the Company's expense, may obtain independent professional advise on issues arising in the course of their duties.

Remuneration Committee

The remuneration of any Executive Director will be decided by the Board following the recommendation of the Remuneration Committee, without the affected Executive Director participating in that decision–making process. The Remuneration Committee is currently comprised of all of the Non–Executive Directors.

The Articles provide that the Non–Executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules and Singaporean law, as applicable). Until a different amount is determined, the amount of the remuneration is AUD$300,000 per annum.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the pe formance of their duties as Directors.

Corporate Governance

Remuneration Committee (continued)

The Remuneration Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity–based plans including the appropriateness of performance hurdles and total payments proposed.

Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Managing Director (or the Board in the case of the Managing Director) must be obtained prior to trading.

Diversify policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy.

This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct ("Code") to be followed by all employees (including temporary employees and contractors) and officers.

THE KEY ASPECTS OF THIS CODE ARE TO:

(a) act with honesty, integrity and fairness in the best interests of the Company;

(b) act in accordance with all applicable laws, regulations, policies and procedures;

(c) have responsibility and accountability for individuals for report and investigating reports of unethical practices; and

(d) other matters including but not limited to ethical conduct, business conduct, confidentiality, privacy, security of information, and conflicts of interest.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which operates under an Audit and Risk Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function. The Audit and Risk Committee is currently comprised of the Non–Executive Directors.

Corporate Governance

External audit

The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board on an annual basis will review the scope, performance and fees of those external auditors following the recommendation from the Audit and Risk Committee.

Audit and non-audit fees

The amount of fees paid to the external auditors, in respect of audit and non–audit services for the year under review are as follows:

(a) Audit and assurance-related fees

	$
RSM	213, 693
Other audit firms auditing certain subsidiaries of the group	11, 034
Total	224, 727

(b) Non–audit fees – Nil

The Audit and Risk Committee has reviewed and is of the opinion that the non–audit services rendered during FY2016 were not substantial.

Internal audit

The Company does not have an internal audit function. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

Material Exposure to Risk

Recommendation 7.4 is that the Board should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if so, how it manages those risks. The Company believes that the following operational risks are inherent in the industry in which the Company operates, having regard to the Company's circumstances (including financial resources, prospects and size):

(a) failure to retain existing clients and attract new ones;
(b) failure to expand into new markets;
(c) reliance on other social media platforms;
(d) control by existing shareholders and liquidity of shares;
(e) prevalence of related party leases;
(f) joint venture arrangements risk;
(g) capital required for expansion; and
(h) decline in growth of internet penetration and usage.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by the Company, and are not necessarily an exhaustive list.

The CEO and the CFO have reported and declared in writing to the Board that the Group's management of its material business risks is effective.

Corporate Governance

Remuneration Details

The Directors are remunerated based on the provision of services provided to the Company for executive management and for their services as Directors. The Directors fees are determined by the Board of Directors. Each Non–Executive Director receives a fixed fee for their services as Directors.

The remuneration structure for executive officers, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Directors and Executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement, Directors and Executives are paid employee benefit entitlements accrued to date of retirement.

Employment contracts for Directors and Executives stipulate a range of one to three month resignation periods. Termination payments are generally not payable on dismissal for serious misconduct. The Company may terminate an employment contract without cause by providing the appropriate written notice under each contract or making payment in lieu, based upon the individual's remuneration together with a severance benefit.

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Martyn Thomas	(Chairman, Non–Executive Director)
Cheo Ming Shen @ Tong Ming Shen	(Independent, resigned as Executive Director and appointed as Non–Executive Director on 27 January 2017)
Tiah Ewe Tiam	(Independent, resigned as Executive Director and appointed as Non–Executive Director on 1 November 2016)
Kevin Tsai Shao Chung	(Independent, Non–Executive Director)
Pierre Pang Hee Ta	(Independent, Non–Executive Director)

Remuneration Report

The breakdown of remuneration of the Directors and key Executives of the Group (in percentage term) is set out below:

	Fixed salary / Fee	
Name	2016	2015
Directors:		
Cheo Ming Shen @ Tong Ming Shen	30%	45%
Tiah Ewe Tiam	60%	45%
Martyn Thomas	4%	4%
Kevin Tsai Shao Chung	3%	3%
Pierre Pang Hee Ta	3%	3%

Statement by Directors

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

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

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Cheo Ming Shen @ Tong Ming Shen
Tiah Ewe Tiam
Martyn Thomas
Kevin Tsai Shao Chung
Pierre Pang Hee Ta

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Direct Interest		Indirect Interest	
Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At the end of the reporting year
The company – Netccentric Limited				
Cheo Ming Shen @ Tong Ming Shen	94, 296, 461	94, 296, 461	205, 000	919, 000
Tiah Ewe Tiam	94, 296, 749	-	-	94, 296, 749
Kevin Tsai Shao Chung	3, 750, 000	3, 750, 000	-	-

By virtue of section 7 of the Act, Mr Cheo Ming Shen @ Tong Ming Shen and Mr Tiah Ewe Tiam are deemed to have an interest in the company and in all the related body corporates of the company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed their willingness to accept re–appointment.

7. Report of audit and risk committee

The members of the audit and risk committee during the reporting year and at the date of this report are as follows:

Martyn Thomas	(Chairman of Audit Committee and Non-executive Director)
Kevin Tsai Shao Chung	(Independent and Non-executive Director)
Pierre Pang Hee Ta	(Independent and Non-executive Director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

a. Review with the independent external auditors their audit plan;
b. Review with the independent external auditors their evaluation of the company's internal accounting controls that are relevant to their statutory audit, their report on the financial statements and the assistance given by the management to them;
c. Review the financial statements of the group and the company prior to their submission to the Board of Directors of the company for adoption; and
d. Review the interested person transactions

Other functions performed by the audit and risk committee are described in the corporate governance report included in the annual report of the company. It also includes an explanation of how the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non–audit services.

The audit and risk committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re–appointment as the independent auditor at the next annual general meeting of the company.

8. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 28 February 2017, which would materially affect the group's and the company's operating and financial performance as of the date of this report except for an increase of S$352,751 to the group's loss, net of tax and an increase of S$284,643 to the group's total comprehensive loss for the year primarily due to audit adjustments made to certain subsidiaries' financial statements subsequent to the preliminary announcement.

On behalf of the directors

Martyn Thomas
Director

Tiah Ewe Tiam
Director

31 March 2017

RSM

RSM Chio Lim LLP

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F +65 6594 7811

Audit@RSMSingapore.sg
www.RSMSingapore.sg

Independent Auditor's Report to the Members of NETCCENTRIC LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Netccentric Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of
NETCCENTRIC LIMITED

Key audit matters (cont'd)

Impairment of goodwill

Refer to Notes 2A and 2C for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of goodwill at the reporting year end. Refer to Note 12A for the key assumptions used in impairment testing of goodwill.

The group has goodwill of $873,251 which has been fully impaired as at 31 December 2016.

Management monitors and assesses at least annually to determine whether goodwill has suffered any impairment loss. The assessment, based on the value-in-use method to determine the recoverable amount of goodwill, is complex and involves management's judgements about the future results of the business and the budgeted gross margins, discount rates and growth rates applied to future cash flow forecasts of the cash generating unit. Hence, it is a key focus area for our audit.

We have evaluated and considered management's estimates and variable inputs used in the computation of recoverable amount of goodwill and analyse the assumptions used by management through our knowledge of the cash generating unit's operations, its past performance, management's growth strategies and cost initiatives.

We sought assistance from our internal valuation experts for their assessment of the appropriateness of the discount rates used in the calculation to industry benchmarks. We evaluated the reasonableness of management's estimate of gross profit margins and revenue growth rates by taking into consideration past performance.

We have also assessed the adequacy of the disclosures made in the financial statements.

Independent Auditor's Report to the Members of NETCCENTRIC LIMITED

Key audit matters (cont'd)

Impairment of cost of investments and net receivables due from subsidiaries

Refer to Notes 2A and 2C for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of cost of investments in subsidiaries and amount due from subsidiaries at the reporting year end. Refer to Notes 13 and 15 for the investment in subsidiaries and amount due from subsidiaries respectively.

Total cost of investment in subsidiaries amounted to $3,369,112 and amount due from subsidiaries amounted to $5,742,262 as at 31 December 2016. As the balances are significant, they are a key focus area for our audit.

For the non-performing subsidiaries or if they have significant negative equity balances, the company will have exposure to loss on investments cost and amount due from the subsidiaries. Any impairment losses on the investments in subsidiaries and the related receivables from these subsidiaries have to be recognised in the company's separate financial statements. In addition a provision has to be made if an undertaking given in favour of a subsidiary has to be honoured.

Management made a comparison of carrying values of the subsidiaries with the company's share of net assets or liabilities of the subsidiaries to identify indications of impairment loss on these investments and related receivables. A total exposure of $5,554,747 was considered. This amount comprised $2,901,192 impairment of cost of investment in subsidiaries and $2,653,555 impairment of net receivables from subsidiaries. The total impairment loss allowance for the year was $5,554,747.

We have reviewed and considered management's assessment on the net assets or liabilities of these subsidiaries. We have also assessed management's basis to determine potential impairment in both financial and non-financial assets of these subsidiaries. We also had discussions with management on the prospects and future plans of these subsidiaries.

We have also assessed the adequacy of the disclosures made in the financial statements.

Independent Auditor's Report to the Members of NETCCENTRIC LIMITED

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report to the Members of
NETCCENTRIC LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report to the Members of
NETCCENTRIC LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Paul Lee Seng Meng.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2017

Engagement partner – effective from year ended 31 December 2016

Consolidated Statement of Profit or Loss and other Comprehensive Income

Year Ended 31 December 2016

	Notes	Group 2016 $	Group 2015 $
Revenue	5	12,491,578	12, 078, 335
Cost of sales		(4,628,035)	(4, 067, 967)
Gross profit		7, 863, 543	8, 010, 368
Interest income		164, 501	117, 710
Other gains	6	551 369	495, 942
Finance costs	7	(27, 875)	(28, 348)
Administrative and operating expenses	8	(13, 208, 819)	(9, 496, 729)
Other losses	6	(1, 074, 350)	(438, 716)
Share of profit (loss) from equity–accounted associates	14	150, 046	(4, 742)
Loss before income tax		(5, 581, 585)	(1, 344, 515)
Income tax expense	9	(303, 277)	(111, 664)
Loss, net of tax		(5, 884, 862)	(1, 456, 179)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		4, 212	(430, 137)
Other comprehensive income (loss), net of tax		4, 212	(430, 137)
Total comprehensive loss		(5, 880, 650)	(1, 886, 316)
Loss for the year, net of tax attributable to:			
Owners of the parent		(5, 506, 708)	(1, 162, 146)
Non–controlling interests		(378, 154)	(294, 033)
		(5, 884, 862)	(1, 456, 179)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(5, 519, 536)	(1, 528, 557)
Non–controlling interests		(361, 114)	(357, 759)
		(5, 880 650)	(1, 886, 316)
Loss per share:			
Basic and diluted loss per share (cents)	10	(2.10)	(0.51)

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

Statements of Financial Position

As at 31 December 2016

	Notes	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
ASSETS					
Non-current assets					
Plant and equipment	11	331, 354	273, 130	–	–
Investments in subsidiaries	13	–	–	318, 965	1, 958, 647
Investments in associates	14	151, 439	61, 409	16, 932	16, 932
Deferred tax assets	9	9, 076	6, 720	–	–
Intangible asset	12	33, 757	697, 879	–	–
Total non-current assets		525, 626	1, 039, 138	335, 897	1, 975, 579
Current assets					
Trade and other receivables	15	3, 356, 585	3, 265, 829	2, 700, 814	1, 772, 833
Other assets	16	67, 929	106, 762	210	210
Cash and cash equivalents	17	7, 605, 552	12, 901, 717	5, 513, 427	11, 039, 787
Total current assets		11, 030, 066	16, 274, 308	8, 214, 451	12, 812, 830
Total assets		11, 555, 692	17, 313, 446	8, 550, 348	14, 788, 409

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

	Notes	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
EQUITY AND LIABILITIES					
Equity					
Share capital	18	13, 797, 086	13, 571, 077	13, 797, 086	13, 571, 077
(Accumulated losses) Retained earnings		(5, 331, 602)	261, 225	(7, 542, 922)	(835, 606)
Share option reserve	20	228, 000	228, 000	228, 000	228, 000
Foreign currency translation reserves	19	(212, 635)	(199, 807)	–	–
Equity attributable to owners of the parent		8, 480, 849	13, 860, 495	6, 482, 164	12, 963, 471
Non–controlling interests		(430, 472)	(368, 054)	–	–
Total equity		8, 050, 377	13, 492, 441	6, 482, 164	12, 963, 471
Non current liability					
Other financial liabilities	23	24, 608	30, 573	–	–
Total non-current liability		24, 608	30, 573	–	–
Current liabilities					
Income tax payable		53, 602	35, 258	16, 672	–
Trade and other payables	21	2, 941, 070	3, 410, 856	2, 051, 512	1, 824, 938
Other financial liabilities	23	5, 191	5, 008	–	–
Other liabilities	22	480, 844	339, 310	–	–
Total current liabilities		3, 480, 707	3, 790, 432	2, 068, 184	1, 824, 938
Total liabilities		3, 505, 315	3, 821, 005	2, 068, 184	1, 824, 938
Total equity and liabilities		11, 555, 692	17, 313, 446	8, 550, 348	14, 788, 409

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

Statements of Changes in Equity

For the year ended 31 December 2016

	Total equity	Attributable to parent Sub–total	Share capital	(Accumu-lated losses) Retained earnings	Capital reserves	Share option reserves	Foreign currency translation reserves	Non–controlling interests
	$	$	$	$	$	$	$	$
Group:								
Current year:								
Balance at 1 January 2016	13, 492, 441	13, 860, 495	13, 571, 077	261, 225	–	228, 000	(199, 807)	(368, 054)
Movements in equity:								
Total comprehensive loss for the year	(5, 880, 650)	(5, 519, 536)	–	(5, 506, 708)	–	–	(12, 828)	(361, 114)
Acquisition of non–controlling interests without a change in control	–	(86, 119)	-	(86, 119)	–	–	–	86, 119
Adjustment to purchase consideration on acquisition of remaining interest in an associate (Notes 13A, 18)	226, 009	226, 009	226, 009	-	–	–	–	–
Dividend paid	(51, 448)	-	-	-	–	-	-	(51, 448)
Increase in contribution by non-controlling interests	264, 025	–	–	–	–	–	–	264, 025
Balance at 31 December 2016	8, 050, 377	8, 480, 849	13, 797, 086	(5, 331, 602)	–	228, 000	(212, 635)	(430, 472)
Previous year:								
Balance at 1 January 2015	2, 278, 742	2, 214, 951	65, 800	1, 982, 038	509	–	166, 604	63, 791
Movements in equity:								
Total comprehensive loss for the year	(1, 886, 316)	(1, 528, 557)	–	(1, 162, 146)	–	–	(366, 411)	(357, 759)
Issue of share capital (Note 18)	12, 921, 265	12, 921, 265	12, 921, 265	–	–	–	–	–
Share issue costs (Note 18)	(959, 250)	(959, 250)	(959, 250)	-	-	-	-	-
Acquisition of remaining interests in an associate (Notes 13A, 18)	910, 000	910, 000	910, 000	-	-	-	-	-
Acquisition of non-controlling interests without a change in control (Notes 13, 18)	–	74, 086	633, 262	(559, 176)	-	-	-	(74, 086)
Transfer to retained earnings	-	-	-	509	(509)	-	-	-
Equity share options issued (Note 20)	228, 000	228, 000	-	-	-	228, 000	-	-
Balance at 31 December 2015	13, 492, 441	13, 860, 495	13, 571, 077	261, 225	–	228, 000	(199, 807)	(368, 054)

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

	Total equity	Share capital	Share option reserves	Retained earnings (Accumulated losses)
	$	$	$	$
Company:				
Current year:				
Opening balance at 1 January 2016	12, 963, 471	13, 571, 077	228, 000	(835, 606)
Movements in equity:				
Total comprehensive loss for the year	(6, 707, 316)	–	–	(6, 707, 316)
Adjustment to purchace consideration on acquisiton of remaining interest in an associate (Notes 13A, 18)	226, 009	226, 009	-	–
Closing balance at 31 December 2016	6, 482, 164	13, 797, 086	228, 000	(7, 542, 922)
Previous year:				
Opening balance at 1 January 2015	1, 081, 642	65, 800	–	1, 015, 842
Movements in equity:				
Total comprehensive loss for the year	(1, 851, 448)	–	–	(1, 851, 448)
Issue of share capital (Note 18)	12, 921, 265	12, 921, 265	-	-
Share issue costs (Note 18)	(959, 250)	(959, 250)	-	-
Acquisition of remaining interests in an associate (Notes 13A, 18)	910, 000	910, 000	-	-
Acquisition of non-controlling interests without a change in control (Notes 13, 18)	633, 262	633, 262	-	-
Equity share options issued (Note 20)	228, 000	-	228, 000	-
Closing balance at 31 December 2015	12, 963, 471	13, 571, 077	228, 000	(835, 606)

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

Consolidated Statement of Cash Flows

Year Ended 31 December 2016

	Group	
	2016	2015
	$	$
Cash flows from operating activities		
Loss before tax	(5, 581, 585)	(1, 344, 515)
Adjustment for:		
Impairment loss on goodwill	873, 251	-
Amortisation of intangible asset	16, 880	-
Impairment in investment in associates (Note 6)	-	68, 074
Depreciation of plant and equipment	119, 936	125, 231
Loss (Gain) on disposal of plant and equipment	3, 926	(32, 772)
Fair value adjustment of associate before change in control (Note 13A)	-	(192, 122)
Share of (profit) loss from associates	(150, 046)	4, 742
Issue of share options (Note 20)	-	228, 000
Interest income	(164, 501)	(117, 710)
Interest expenses	27, 875	28, 348
Operating cash flow before changes in working capital	(4, 854, 264)	(1, 232, 724)
Other assets	38, 833	32, 621
Trade and other receivables	55, 643	(98, 446)
Trade and other payables	(446, 370)	(301, 173)
Other liabilities	141, 534	175, 118
Net cash flows used in operations	(5, 064, 624)	(1, 424, 604)
Interest paid	(27, 875)	(28, 348)
Income taxes paid	(286, 494)	(135, 759)
Net cash used in operating activities	(5, 378, 993)	(1, 588, 711)
Cash flows from investing activities		
Acquisition of subsidiary, net of cash (Note 13A)	-	72, 107
Dividend from associate	60, 773	56, 830
Interest received	164, 501	117, 710
Purchase of plant and equipment (Notes 11, 17)	(184, 453)	(66, 317)
Proceeds from disposal of plant and equipment	-	51, 556
Increase in contribution by non-controlling interests	264, 025	-
Net cash from investing activities	304, 846	231, 886

	Group	
	2016	2015
	$	$
Cash flows from financing activities		
Dividend paid to non-controlling interest	(51, 448)	–
Repayment of other financial liabilities	(5, 782)	-
Share issue costs (Note 18)	-	(959, 250)
Movements in amount due to director	(23, 416)	89, 865
Movements in amounts due from related parties	(168, 872)	(12, 252)
Movements in amounts due from associates	22, 473	98, 771
Proceeds from issue of ordinary shares (Note 18)	-	12, 921, 265
Net cash (used in) from financing activities	(227, 045)	12, 138, 399
Net (decrease) increase in cash and cash equivalents	(5, 301, 192)	10, 781, 574
Cash and cash equivalents, statement of cash flows, beginning balance	12, 901, 717	2, 235, 948
Effects of currency translation on cash and cash equivalent	5, 027	(115, 805)
Cash and cash equivalents, statement of cash flows, ending balance (Note 17)	7, 605, 552	12, 901, 717

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

Notes to the Financial Statements

31 December 2016

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and its subsidiaries (referred to as "group").

The board of directors approved and authorised these financial statements for issue on the date of the statement of directors.

The principal activities of the company are those of investment holding. The principal activities of its subsidiaries are described in Note 13 below.

The company was listed on the Australian Stock Exchange ("ASX").

The registered office is 38 Kinta Road, #02–03, Singapore 219107. The company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

1. General (continued)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates.

Services with advertisers are campaign based and revenue as well as the cost of sales (blogger costs) are recognised on a percentage of completion basis over the period of the campaign.

Interest income is recognised using the effective interest method.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting politics (continued)

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee.

For employee leave entitlement the expected cost of short–term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non–accumulating compensated absences, when the absences occur.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the share options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting politics (continued)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non–functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Segment reporting

The group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Income tax (continued)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post–acquisition change in the investor's share of the investee's net assets.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Associates (continued)

The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation.

Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Business combinations

Business combinations are accounted for by applying the acquisition method.

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. For business combinations achieved in stages, any equity interest held in the acquiree is remeasured immediately before achieving control at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

As disclosed in Note 13 of the financial statements, a restructuring exercise was undertaken in 2015. The business combination involved entities or businesses under common control that is, a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The business combination in such situation is accounted for under the pooling-of-interests or merger method.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Business combinations (continued)

Under the pooling-of-interests method, the combined assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation. The excess or deficiency of amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) over the amount recorded for the share capital acquired is to be adjusted to the retained earnings.

Pursuant to the restructuring, the same individual vendor shareholder has ultimate power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate power is not transitory.

Non–controlling interests

The non–controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non–controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non–controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non–controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non–controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non–controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non–controlling interests even if this results in the non–controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Plant and equipment

Depreciation is provided on a straight–line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Computer equipment	–	1 – 5 years
Furniture and fittings	–	1 – 10 years
Office equipment	–	1 – 10 years
Production equipment	–	3 years
Motor vehicles	–	5 years
Renovation	–	10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Leases (continued)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight–line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Customer relationship - 3 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Impairment of non–financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non–financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash–generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash–generating units). At each end of the reporting year non–financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the year, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short–duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Financial assets (continued)

3. Held–to–maturity financial assets: As at end of the year, there were no financial assets classified in this category.

4. Available–for–sale financial assets: As at end of the year, there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Fair value of measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfill a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid–ask spread or mid–market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short–term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non–current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre–tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Significant accounting policies and other explanatory information (continued)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade and other receivables

An allowance is made for doubtful trade and other receivables for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade and other receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 15 on trade and other receivables.

Income tax amounts

The entity recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in Note 9 on income tax.

Assessment of impairment of goodwill

An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Note 12. Actual outcomes could vary from these estimates.

2. Significant accounting policies and other explanatory information (continued)

2C. Critical judgements, assumptions and estimation uncertainties (continued)

Measurement for impairment of subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the specific asset or liability (or class of assets or liabilities) at the end of the reporting year affected by the assumption is disclosed in Note 13.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

Related companies in these financial statements include the members of the group. Associates also include those that are associates of members of the group.

3A. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item include the following:

	Group	
	2016	2015
	$	$
Rendering of services from associates	(40, 080)	(6, 849)
Development fee income from associates	41, 920	(34, 313)
Recharges of expenses to associates	-	51, 491
Rental expense paid to related party	(242, 837)	(154, 881)

The related party, TBC Builders Pte Ltd, is a firm belonging to the father of Cheo Ming Shen @ Tong Ming Shen, a director of the company.

In 2015, the company disposed all its interests in its associate, Jipaban Pte Ltd to its director Cheo Ming Shen @ Tong Ming Shen for nil consideration.

3. Related party relationships and transactions (continued)

3B. Key management compensation:

	Group	
	2016	2015
	$	$
Salaries and other short–term employee benefits	1, 023, 499	563, 921

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2016	2015
	$	$
Fees to directors of the company	102, 738	50, 795
Remuneration of directors of the company	920, 761	513, 126

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for five directors (2015: five) of the company.

3C. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Directors			
	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Other receivables (payables):				
Balance at beginning of the year – net credit	(732, 215)	(633, 350)	(265, 259)	(265, 259)
Amounts paid out and settlement of liabilities on behalf of a director	23, 416	–	20, 312	–
Amounts paid in and settlement of liabilities on behalf of the company	-	(89, 865)	–	–
Balance at end of the year – net credit	(699, 799)	(723, 215)	(244, 947)	(265, 259)
Presented in the statement of financial position as follows:				
Other receivables (Note 15)	1, 525	2, 299	992	992
Other payables (Note 21)	(701, 324)	(725, 514)	(245, 939)	(266, 251)
Balance at end of the year	(699, 799)	(723, 215)	(244, 947)	(265, 259)

3. Related party relationships and transactions (continued)

3C. Other receivables from and other payables to related parties (continued):

	Related parties			
	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Other receivables:				
Balance at beginning of the year – net debit	1, 313	29, 681	-	40, 620
Amounts paid out and settlement of liabilities on behalf of related parties	170, 185	12, 252	–	–
Amounts paid in and settlement of liabilities on behalf of the company	(1, 313)	–	–	–
Allowance for impairment (Note 15)	–	(40, 620)	–	(40, 620)
Balance at end of the year– net debit (Note 15)	170, 185	1, 313	–	–

	Associates			
	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Other receivables:				
Balance at beginning of the year	63, 585	162, 356	43, 562	36, 447
Amounts paid out and settlement of liabilities on behalf of associates	(22, 473)	(98, 771)	(43, 562)	-
Amounts paid in and settlement of liabilities on behalf of the company	-	-	-	7, 115
Balance at end of the year (Note 15)	41, 112	63, 585	-	43, 562

	Subsidiaries	
	2016	2015
	$	$
Company		
Other receivables (payables):		
Balance at beginning of the year - net debit (credit)	330, 631	548, 790
Amounts paid out and settlement of liabilities on behalf of subsidiaries	3, 902, 576	506, 137
Allowance for impairment (Note 15)	(2, 168, 944)	(357, 182)
Amounts paid in and settlement of liabilities on behalf of the company	(605, 672)	(367, 114)
Balance at end of the year - net debit	1, 458, 591	330, 631
Presented in the statement of financial position as follows:		
Other receivables (Note 15)	1, 977, 488	708, 731
Other payables (Note 21)	(518, 897)	(378, 100)
Balance at end of the year	1, 458, 591	330, 631

4. Financial information by operating segment

4A. Information about reportable segment profit or loss, assets and liabilities

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 & graphic designs; and corporate identity designs.
(5) Others	Others including media production house and mobile blogging applications.

Segment revenues are allocated based on the country in which the customer is located. The group has a large number of customers to which it provides both products and services. The group does not rely on any single customer to a significant portion of revenues. 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 prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The following tables illustrate the information about revenue by business units and countries.

	2016 $	2015 $
Business Units		
Influencer Platform	9, 279, 455	8, 948, 885
Display Ad Network	149, 677	755, 111
Social Media Agency	1, 818, 280	970, 012
Digital Asset Production	1, 161, 515	1, 396, 919
Others	82, 651	7, 408
Total	12, 491, 578	12, 078, 335

4. Financial information by operating segment (continued)

4A. Information about reportable segment profit or loss, assets and liabilities (continued)

	2016	2015
	$	$
Country		
Singapore	4, 700, 381	4, 071, 286
Malaysia	4, 876, 646	4, 467, 750
Australia	1, 185, 412	1, 381, 992
Thailand	1, 162, 024	1, 480, 544
China	298, 258	542, 653
United Kingdom	103, 122	134, 110
Taiwan	165, 735	-
Total	12, 491, 578	12, 078, 335
Information about major customers		
Top 1 customer	1, 344, 342	1, 330, 623
Top 2 customers	1, 949, 925	1, 748, 798
Top 3 customers	2, 281, 275	2, 087, 650

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The Board of Directors has considered the business from both a geographical and business segment perspective and has identified one reportable segment.

The chief operating decision maker evaluates the segment information by revenue steams. The remaining cost of sales, expenses, assets and liabilities are unallocated.

5. Revenue

	Group	
	2016	2015
	$	$
Rendering of services	12, 491, 578	12, 078, 335

6. Other gains and (other losses)

	Group	
	2016	2015
	$	$
Allowance for impairment on trade receivables (Note 15)	(10, 378)	(217, 443)
Allowance for impairment on other receivables (Note 15)	-	(40, 620)
Allowance for impairment on investment in associates (Note 14)	-	(68, 074)
Bad debts written off trade receivables	(22, 177)	(63, 793)
Foreign exchange adjustment loss	(164, 618)	(48, 786)
(Loss) Gain on disposal of plant and equipment	(3, 926)	32, 772
Fair value adjustment of associate before change in control (Note 13A)	-	192, 122
Government grants	311, 552	160, 533
Impairment of goodwill (Note 12A)	(873, 251)	-
Other income	239, 817	110, 515
Net	(522, 981)	57, 226
Presented in profit or loss as:		
Other gains	551, 369	495, 942
Other losses	(1, 074, 350)	(438, 716)
Net	(522, 981)	57, 226

7. Finance costs

	Group	
	2016	2015
	$	$
Interest expense	27, 875	28, 348

8. Administrative and operating expenses

The major component includes employee benefits expenses as follows:

	Group	
	2016	2015
	$	$
Salaries and wages	6, 760, 887	4, 820, 260
Contributions to defined contribution plan	568, 899	457, 133
Other benefits	312, 987	283, 185
Total employee benefits expense	7, 642, 773	5, 560, 578

9. Income tax

9A. Components of income tax recognised in profit or loss include:

	Group	
	2016	2015
	$	$
Current tax expense:		
Current tax expense	293, 182	62, 962
Under–adjustment in respect of prior periods	13, 382	35, 131
Subtotal	306, 564	98, 093
Deferred tax expense (income):		
Deferred tax expense (income)	(3, 287)	13, 571
Subtotal	(3, 287)	13, 571
Total income tax expense	303, 277	111, 664

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2016	2015
	$	$
Loss before tax	(5, 581, 585)	(1, 344, 515)
Less: Share of (profit) loss from equity–accounted associates	(150, 046)	4, 742
	(5, 731, 631)	(1, 339, 773)
Income tax income at the above rate	(974, 377)	(227, 761)
Effect of different tax rates in foreign jurisdictions	(29, 934)	(13, 006)
Income not subject to tax	(38, 805)	-
Expenses not deductible for tax purposes	310, 200	220, 410
Deferred tax assets not recognised	1, 090, 540	180, 289
Tax incentives	(1, 090)	–
Partial income tax exemption	(66, 639)	(82, 610)
Previously unrecognised deferred tax assets recognised	-	(13, 070)
Under–adjustments to tax in respect of prior periods	13, 382	35, 131
Other minor items less than 3% each	-	12, 281
Total income tax expense	303, 277	111, 664

There are no income tax consequences of dividends to owners of the company.

9. Income tax (continued)

9B. Deferred tax expense (income) recognised in profit or loss includes:

	Group	
	2016	2015
	$	$
Deferred tax assets (liabilities) recognised in profit or loss:		
Deferred tax assets not recognised	(1, 090, 540)	(153, 147)
Deferred tax from share based payments	-	38, 760
Tax loss carryforwards	1, 090, 651	116, 946
Excess of book value of plant and equipment over tax values	(3, 398)	11, 012
Net balance	(3, 287)	13, 571

9C. Deferred tax balance in the statement of financial position:

	Group	
	2016	2015
	$	$
Deferred tax assets (liabilities) recognised in profit or loss:		
Deferred tax assets not recognised	(1, 261, 695)	(176, 798)
Deferred tax from share-based payments	(38, 760)	(38, 760)
Tax loss carryforwards	1, 281, 626	190, 975
Excess of book value of plant and equipment over tax values	27, 905	31, 303
Net balance	9, 076	6, 720

The above deferred tax assets have not been recognised in respect of the remaining balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

10. Loss per share

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

	2016	2015
	$	$
A. Numerator: loss attributable to equity:		
Continuing operations:		
Total basic and diluted loss earnings attributable to owners of the parent	(5, 506, 708)	(1, 162, 146)
B. Denominator: weighted average number of equity shares		
Basic and diluted	262, 500, 000	228, 723, 323

10. Loss per share (continued)

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

The losses earnings 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.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

11. Plant and equipment

	Computer Equipment	Furniture and fittings	Office and production equipment	Motor vehicles	Renovation	Total
	$	$	$	$	$	$
Group						
Cost:						
At 1 January 2015	286, 212	110, 622	76, 335	231, 347	16, 001	720, 517
Foreign exchange adjustments	(16, 261)	(8, 998)	(4, 597)	(26, 275)	(219)	(56, 350)
Additions	41, 025	10, 204	15, 088	82, 704	-	149, 021
Disposals	-	-	-	(118, 859)	-	(118, 859)
Written off	(6, 254)	-	(20, 483)	-	(4, 620)	(31, 357)
Acquisiton of subsidiary (Note 13A)	81, 602	7, 588	10, 270	-	13, 229	112, 689
At 31 December 2015	386, 324	119, 416	76, 613	168, 917	24, 391	775, 661
Foreign exchange adjustments	606	32	(974)	(3, 591)	342	(3, 585)
Additions	93, 146	40, 612	24, 579	-	26, 116	184, 453
Disposals	(89, 571)	(14, 317)	(14, 782)	-	-	(118, 670)
Written off	-	(7, 588)	(5, 992)	-	(13, 229)	(26, 809)
At 31 December 2016	390, 505	138, 155	79, 444	165, 326	37, 620	811, 050
Accumulated depreciation:						
At 1 January 2015	200, 813	30, 652	52, 772	174, 974	371	459, 582
Foreign exchange adjustments	(10, 791)	(2, 722)	(2, 965)	(21, 167)	478	(37, 167)
Depreciation for the year	51, 203	15, 594	15, 022	36, 210	7, 202	125, 231
Disposals	-	-	-	(103, 011)	-	(103, 011)
Written off	(6, 141)	-	(22, 280)	-	-	(28, 421)
Acquisition of subsidiary (Note 13A)	69, 900	6, 251	3, 723	-	6, 443	86, 317
At 31 December 2015	304, 984	49, 775	46, 272	87, 006	14, 494	502, 531
Foreign exchange adjustments	(2, 032)	(775)	(480)	(2, 944)	1, 328	(4, 903)
Depreciation for the year	49, 644	15, 057	10, 558	31, 345	13, 332	119, 936
Disposal	(86, 729)	(11, 794)	(14, 782)	-	-	(113, 305)
Written off	-	(7, 451)	(3, 883)	-	(13, 229)	(24, 563)
At 31 December 2016	265, 867	44, 812	37, 685	115, 407	15, 925	479, 696

11. Plant and equipment (continued)

	Computer Equipment	Furniture and fittings	Office and production equipment	Motor vehicles	Renovation	Total
	$	$	$	$	$	$
Group (continued)						
Carrying value:						
At 1 January 2015	85, 399	79, 970	23, 563	56, 373	15, 630	260, 935
At 31 December 2015	81, 340	69, 641	30, 341	81, 911	9, 897	273, 130
At 31 December 2016	124, 638	93, 343	41, 759	49, 919	21, 695	331, 354

Depreciation expense is included under administrative and operating expenses in profit and loss.

12. Intangible assets

	Group 2016	Group 2015
	$	$
Goodwill (Note 12 A)	-	697, 879
Other intangible asset (Note 12B)	33, 757	–
	33, 757	697, 879

12A. Goodwill

	Group 2016	Group 2015
	$	$
Cost:		
Balance at beginning of the year	697, 879	–
Arising from business combination	-	697, 879
Adjustment to purchase consideration on acquisition	226, 009	-
Reclassification to other intangible asset (Note 12B)	(50, 637)	-
Balance at end of the year	873, 251	697, 879
Accumulated impairment:		
Balance beginning of the year	-	-
Impairment loss recognised in the year included in other losses (Note 6)	873, 251	-
Balance at end of the year	873, 251	-
Net book value at end of the year	-	697, 879

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

12. Intangible assets (continued)

12A. Goodwill (continued)

Goodwill is attributed to the acquisition of the following subsidiary:

	Group	
	2016	2015
	$	$
Name of subsidiary:		
Ripplewerkz Private Limited (Note 13A)	873, 251	697, 879

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on the fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

The goodwill arose from the group's acquisition of digital asset production business in 2015.

The value in use was measured by management. The key assumptions for the value in use calculations are as follows. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating unit are consistent with those used for the measurement last performed and is analysed as follows.

	Range	
	2016	2015
CGU - Digital asset production business valuation technique and unobservable inputs discounted cash flow method:		
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGU	12%	12%
Growth rates based on industry growth forecast	4%	5%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

Full impairment loss was recognised as the impairment test carried out for the CGU revealed that the recoverable amount of the CGU was lower than its carrying amount.

12B. Other intangible asset

	Customer lists
	$
Cost:	
At 1 January and 31 December 2015	-
Reclassification from goodwill (Note 12A)	50, 637
At 31 December 2016	50, 637

12. Intangible assets (continued)

12B. Other intangible asset (continued)

	Customer lists
	$
Accumulated amortisation:	
At 1 January and 31 December 2015	-
Amortisation for the year	16, 880
At 31 December 2016	16, 880
Net book value:	
At 1 January and 31 December 2015	-
At 31 December 2016	33, 757

13. Investments in subsidiaries

	Company	
	2016	2015
	$	$
Movements during the year. At cost:		
Balance at beginning of the year	1, 958, 647	454, 566
Acquisitions	1, 261, 510	1, 643, 036
Transfer of cost from investment in associates due to change in control (Note 14)	-	10, 000
Allowance for impairment	(2, 901, 192)	(148, 955)
Cost at end of the year	318, 965	1, 958, 647
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	3, 369, 112	2, 107, 602
Allowance for impairment	(3, 050, 147)	(148, 955)
Total at cost	318, 965	1, 958, 647
Net book value of subsidiaries	(1, 435, 531)	1, 519, 446

13. Investments in subsidiaries (continued)

Analysis of above amount denominated in non–functional currencies:

	2016 $	2015 $
Australian Dollars	500, 179	31, 524
British Pounds	117, 612	117, 612
Hong Kong Dollars	148, 755	148, 755
Malaysian Ringgit	343, 407	343, 407
Thai Baht	128, 043	79, 803
New Taiwan Dollars	20, 956	-
Indonesian Rupiah	181, 680	-
Movement in allowance for impairment:		
Balance at beginning of the year	148, 955	-
Impairment loss charged to profit or loss	2, 901, 192	148, 955
Balance at end of the year	3, 050, 147	148, 955

The decreasing performance of the subsidiaries were considered sufficient evidence to trigger an impairment assessment. The following companies are in a net liabilities position as at end of the reporting year with net losses. As such, an impairment loss amounting to the cost of investment of $2,901,192 (2015: $148,955) was charged to profit and loss.

	2016 $	2015 $
Impairment loss changed to profit or loss:		
Nuffnang ECPod Holding Limited	-	148,755
FTW Tech Pte Ltd	-	200
Nuffnang Australia Pty Ltd	500,179	-
Nom Nom Media Sdn Bhd	11,986	-
Nuffnang Sdn Bhd	288,196	-
Nuffnang Pte Ltd	335,639	-
Reelity Tv Private Limited	175,813	-
Nuffnang (Thailand) Co. Ltd	79,803	-
Nuffnang Ltd	117,612	-
Ripplewerkz Private Limited	1,319,512	-
Aroimakmak Pte Ltd	51,496	-
Nuffnange Taiwan Limited	20,956	-
Balance at end of the year	2,901,192	148,955

13. Investments in subsidiaries (continued)

The subsidiaries held by the company and the group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2016	2015	2016	2015
	$	$	%	%
Held by the company				
Nuffnang Australia Pty Ltd. (2)	500, 179	31, 524	59	51
Australia				
Provision of online advertising and management services				
(RSM Australia)				
Nom Nom Media Sdn. Bhd. (2)	11, 986	11, 986	100	100
Malaysia				
Sales agent for advertising services				
(RSM Malaysia)				
Churp Churp Media Sdn. Bhd. (2)	1	1	100	100
Malaysia				
Provision of online advertising and management services				
(RSM Malaysia)				
Netcentric Sdn. Bhd. (2)	12, 207	12, 207	100	100
Malaysia				
Internet advertising				
(RSM Malaysia)				
Nuffnang Sdn. Bhd. (2), (5)	319, 213	319, 213	100	100
Malaysia				
Provision of online advertising and management services				
(RSM Malaysia)				
Nuffnang Pte Ltd (1), (5)	335, 639	335, 639	100	100
Singapore				
Provision of online advertising and management services				
(RSM Chio Lim LLP)				
Churp Churp Pte Ltd (1)	1	1	100	100
Singapore				
Provision of online advertising and management services				
(RSM Chio Lim LLP)				

13. Investments in subsidiaries (continued)

The subsidiaries held by the company and the group are listed below (contonued):

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2016	2015	2016	2015
	$	$	%	%
Held by the company (continued)				
Reelity Tv Private Limited (3)	176, 020	51	88	51
Singapore				
Advertising activities				
(KJ Tan & Co)				
FTW Tech Pte Ltd (3)	200	200	100	100
(previously known as NuffnangX Pte Ltd)				
Singapore				
Development of e–commerce applications				
(KJ Tan & Co)				
Nom Nom Media Private Limited (1)	10	10	100	100
Singapore				
Sales agent for advertising services				
(RSM Chio Lim LLP)				
Sashimi Private Limited (1)	30, 600	30, 600	51	51
Singapore				
Social media agency				
(RSM Chio Lim LLP)				
Nuffnang (Thailand) Co. Ltd (2)	79, 803	79, 803	51	51
Thailand				
Provison of online advertising and management services				
(RSM Thailand)				
Nuffnang Ltd (4)	117, 612	117, 612	60	60
United Kingdom				
Provision of online advertising and management				
Nuffnang– ECpod Holding Limited (3)	148, 755	148, 755	63	63
Hong Kong				
Provision of online advertising and management				
(Cheer Link CPA Limited)				

13. Investments in subsidiaries (continued)

The subsidiaries held by the company and the group are listed below (continued):

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2016	2015	2016	2015
	$	$	%	%
Held by the company (continued)				
Ripplewerkz Private Limited [1], [6]	1, 328, 131	1, 020, 000	100	100
Singapore				
Website Development				
(RSM Chio Lim LLP)				
Aroimakmak Pte Ltd [3]	60, 000	-	60	-
Singapore				
Provision of online advertising				
(Gan & Alliance)				
Nuffnang Taiwan Limited [4]	20, 956	-	100	-
Taiwan				
Provision of online advertising and management services				
PT Nuffnang Indonesia Internasional [4]	179, 569	-	51	-
Indonesia				
Provision of online advertising and management services				
Reelity TV (Thailand) Co., Ltd [3] [7]	48, 240	-	99	-
Thailand				
Provision of online advertising				
(GBS Audit Co., Ltd)				
	3, 369, 112	2, 107, 602		
Held by subsidiaries				
Sashimi Social Sdn Bhd [2]	11, 929	11, 929	100	100
Malaysia				
Social media agency				
(RSM Malaysia)				

13. Investments in subsidiaries (continued)

The subsidiaries held by the company and the group are listed below (continued):

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2016	2015	2016	2015
	$	$	%	%
Held by subsidiaries (continued)				
Sashimi SG Pte Ltd [(1)]	16, 000	16, 000	41	41
Singapore				
Social media agency				
(RSM Chio Lim LLP)				
Ripplewerkz Company Co [(3) (8)]	40, 422	40, 422	100	100
Thailand				
Website development				
(GBS Audit Co., Ltd.)				
Nuffnang China Limited [(3)]	176, 569	176, 569	52	52
Hong Kong				
Internet advertising				
(Cheer Link CPA Limited)				
Nuffnang Beijing WOFE [(3)]	310, 247	310, 247	100	100
Internet advertising				
China				
(Beijing Yongqin Certified Public Accountants Co., Ltd)				

(1) Audited by RSM Chio Lim LLP.

(2) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(3) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(4) Not subject to audit requirements in the foreign jurisdictions.

(5) On 6 July 2015, pursuant to a share swap arrangement, the company allotted 3,006,860 ordinary shares based on the share price on the date of listing of no par value amounting to S$323,938 and S$309,324 to certain non–controlling interests in Nuffnang Pte Ltd and Nuffnang Sdn Bhd respectively. These led to an increase in share capital for Nuffnang Pte Ltd from 78% to 100% and for Nuffnang Sdn Bhd from 82.5% to 100% respectively.

On the same date, the non-controlling interest in both entities transferred all its shareholdings to the company. The shares were allotted at no cost. Accordingly, the differences arising from the transaction between the share capital allotted and the share of net assets acquired amounting to S$559,176 has been taken to retained earnings in equity.

(6) Refer to Note 13A.

(7) Netccentric Limited holds 12,250 common shares in Reelity TV (Thailand) Co., Ltd. that represent 98% of total voting rights and 99% of the economic interest in the subsidiary.

(8) 48.75% interests are held by Ripplewerkz Private Limited and 51.25% are held in trust by two directors of Ripplewerkz Private Limited and a spouse of a director for and on behalf of Ripplewerkz Private Limited.

13. Investments in subsidiaries (continued)

13A. Change in control from associate to subsidiary

On 6 July 2015, the company allotted 4,550,000 ordinary shares of no par value amounting to $910,000 to acquire the remaining 10,001 ordinary shares (or 50%) in Ripplewerkz Private Limited ("Ripplewerkz"). From that date, the group gained control and it became a subsidiary. Ripplewerkz was accounted for as an associate for the reporting year ended 31 December 2014.

Management has since finalised the purchase price allocation exercise in 2016 and identified the fair value of the identifiable assets and liabilities at date of acquisition, and no restatements have been made to the reporting year 2015 as the adjustments are not considered material.

	2016
	$
Consideration transferred:	
4, 550, 000 shares issued at market price	910, 000
Fair value of equity interest held before change in control taken to profit or loss (Note 6)	192, 122
Adjustment to purchase consideration in 2016	226, 009
Total consideration transferred	1, 328, 131

	Provisional fair value	Fair value
	$	$
Plant and equipment	26, 372	26, 372
Trade and other receivables	495, 940	495, 940
Cash and cash equivalents	72, 107	72, 107
Customer relationship	-	50, 637
Trade and other payables	(190, 176)	(190, 176)
Net assets acquired	404, 243	454, 880

	$
Goodwill arising on acquisition:	
The goodwill arising on acquisition is as follows	
Consideration transferred	1, 328, 131
Fair value of identifiable net assets acquired	(454, 880)
Total consideration transferred	873, 251

The non-controlling interest of 50% in the acquiree at the acquisition date was measured based on the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

13. Investments in subsidiaries (continued)

13A. Change in control from associate to subsidiary (continued)

The contributions from the acquired subsidiary for the period between the date of acquisition and the end of the reporting year were as follows:

	Group	
	From date of acquisition in	For the reporting year
	2016	2016
	$	$
Revenue	430, 924	729, 966
Loss (Profit) before income tax	(22, 772)	162, 588

The company further increased its investment in Ripplewerkz Private Limited in 2016 by an additional $80,000 (2015: $100,000).

13B. Subsidiaries with material non–controlling interests ("NCI")

The summarised financial information of the subsidiaries with non–controlling interests that are material to the group, not adjusted for the percentage ownership held by the group is, as follows:

	Nuffnang Australia Pty Ltd		Nuffnang (Thailand) Co., Ltd	
	2016	2015	2016	2015
	$	$	$	$
Loss allocated to non–controlling interests of subsidiaries during the year	(287, 495)	(162, 795)	(41, 962)	(127, 916)
Accumulated non–controlling interests of subsidiaries at the end of the reporting year	(334, 058)	(285, 642)	(35, 324)	7, 638

Summarised statement of financial position

	Nuffnang Australia Pty Ltd		Nuffnang (Thailand) Co. , Ltd	
	2016	2015	2016	2015
	$	$	$	$
Non–current assets	9, 742	–	36, 807	108, 976
Current assets	295, 079	403, 870	474, 817	560, 690
Total assets	304, 821	403, 870	511, 624	669, 666
Current liabilities	1, 119, 597	986, 813	583, 714	654, 078
Total liabilities	1, 119, 597	986, 813	583, 714	654, 078
Net (liabilities) assets	(814, 776)	(582, 943)	(72, 090)	15, 588

13. Investments in subsidiaries (continued)

13B. Subsidiaries with material non-controlling "interests" ("NCI") (continued)

Summarised statement of comprehensive income

	Nuffnang Australia Pty Ltd		Nuffnang (Thailand) Co., Ltd	
	2016	2015	2016	2015
	$	$	$	$
Revenue	1, 185, 413	1, 404, 627	1, 138, 275	1, 526, 502
Loss before income tax	(701, 208)	(332, 235)	(85, 637)	(261, 054)
Income tax expense	–	–	–	–
Total comprehensive (loss) for the year	(701, 208)	(332, 235)	(85, 637)	(261, 054)

Summarised statement of cash flow

	Nuffnang Australia Pty Ltd		Nuffnang (Thailand) Co., Ltd	
	2016	2015	2016	2015
	$	$	$	$
Net cash (outflow) inflow from operating activities	(613, 158)	(130, 121)	(25, 343)	130, 723
Net cash outflow from investing activities	-	(1, 987)	-	(10, 739)
Net cash inflow from financing activities	598, 111	–	–	-
Net (decrease) increase in cash and cash equivalents	(15, 047)	(132, 108)	(25, 343)	119, 984
Cash and cash equivalents at beginning of financial year	102, 075	234, 183	174, 344	54, 360
Cash and cash equivalent at the end of the financial year	87, 028	102, 075	149, 001	174, 344

14. Investments in associates

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Movements in carrying value:				
Balance at beginning of the year	61, 409	227, 563	16, 932	95, 006
Foreign exchange adjustments	757	(26, 508)	–	–
Transfer to investment in subsidiaries due to change in control (Note 13)	-	(10, 000)	-	(10, 000)
Dividend income received	(60, 773)	(56, 830)	–	–
Allowance for impairment (Note 6)	-	(68, 074)	-	(68, 074)
Share of the profit (loss) for the year	150, 046	(4, 742)	–	–
Total at end of the year	151, 439	61, 409	16, 932	16, 932

14. Investments in associates (continued)

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Carrying value comprising:				
Unquoted equity share at cost	133, 356	133, 356	133, 356	133, 356
Allowance for impairment	(116, 424)	(116, 424)	(116, 424)	(116, 424)
Share of profits, net of dividents received	134, 507	44, 477	-	-
	151, 439	61, 409	16, 932	16, 932
Share of net book value of associates	151, 439	63, 081	151, 439	63, 081

	Group and Company	
	2016	2015
	$	$
Movement in above allowance for impairment:		
Balance at beginning of the year	116, 424	324, 447
Impairment loss charged to profit or loss included in other losses (Note 6)	-	68, 074
Impairment allowance used	-	(276, 097)
Balance at end of the year	116, 424	116, 424

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations, principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2016	2015	2016	2015
	$	$	%	%
Exteen Co. , Ltd (1)	116, 424	116, 424	51	51
Thailand Making website and advertisement (RSM Thailand)				
Nuffnang Philippines Inc. (2)	16, 932	16, 932	40	40
Marketing of internet placements (Sycip Gorres Velayo & Co.)				
	133, 356	133, 356		

(1) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(2) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

These associates are considered not material to the reporting entity. The summarised financial information of all the non-material associates and the aggregate amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

14. Investments in associates (continued)

	Group	
	2016	2015
	$	$
Aggregate for all non-material associates:		
Profit (Loss) from continuing operations	270, 347	(16, 695)
Net assets of the associates	323, 093	63, 081

15. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables:				
Outside parties	2, 925, 060	3, 111, 826	–	–
Less allowance for impairment	(131, 795)	(217, 443)	–	–
Subsidiaries (Note 3)	–	–	1, 595, 630	1, 054, 181
Less allowance for impairment	–	–	(902, 639)	(60, 846)
Associates (Note 3)	29, 344	13, 083	29, 343	12, 568
Net trade receivables – subtotal	2, 822, 609	2, 907, 466	722, 334	1, 005, 903
Other receivables:				
Outside parties	152, 827	104, 692	-	13, 645
Directors (Note 3)	1, 525	2, 299	992	992
Subsidiaries (Note 3)	–	–	4, 146, 432	1, 065, 913
Allowance for impairment	–	–	(2, 168, 944)	(357, 182)
Associates (Note 3)	41, 112	63, 585	-	43, 562
Related parties (Note 3)	170, 185	41, 933	-	40, 620
Allowance for impairment	-	(40, 620)	-	(40, 620)
Tax recoverable	168, 327	186, 474	–	–
Net other receivables – subtotal	533, 976	358, 363	1, 978, 480	766, 930
Total trade and other receivables	3, 356, 585	3, 265, 829	2, 700, 814	1, 772, 833
Movements in above allowance:				
Balance at beginning of the year	258, 068	7, 000	458, 648	–
Charge for trade receivables to profit or loss included in other losses (Note 6)	10, 378	217, 443	841, 793	60, 846
Charge for other receivables to profit or loss included in other losses (Note 6)	-	40, 620	1, 811, 762	397, 802
Used	(136, 646)	(7, 000)	(40, 620)	–
Balance at end of the year	131, 795	258, 063	3, 071, 583	458, 648

16. Other assets

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Prepayments	13, 452	45, 380	–	–
Deposits to secure services	54, 477	61, 382	210	210
	67, 929	106, 762	210	210

17. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Not restricted in use	7, 605, 552	12, 901, 717	5, 513, 427	11, 039, 787

The interest earning balances are not significant.

17A. Non–cash transactions:

There were acquisitions of certain assets under plant and equipment with a total cost of $Nil (2015: $82,704) acquired by means of finance leases.

18. Share capital

	Group and Company	
	Number of shares issue	Share Capital
		$
Ordinary shares of no par value:		
Balance at 1 January 2015	65, 800	65, 800
Sub–division of shares [(a)]	192, 333, 400	–
Issue of shares at S$0.00034 each on 25 May 2015	43, 940	15
Issue of shares at A$0.2 on 6 July 2015	62, 500, 000	12, 921, 250
Share issue costs	–	(959, 250)
Acquisition of remaining interests in an associate [(b)]	4, 550, 000	910, 000
Acquisiton of non–controlling interests without a change in control [(c)]	3, 006, 860	633, 262
Balance at 31 December 2015	262, 500, 000	13, 571, 077
Adjustment to purchase consideration on acquisition of remaining interest in an associate [(d)]	-	226, 009
Balance at 31 December 2016	262, 500, 000	13, 797, 086

18. Share capital (continued)

(a) On 25 May 2015, the company effected a sub–division of its ordinary share capital at a ratio of one ordinary share into 2,924 ordinary shares. Following the sub–division, the number of shares increased from 65,800 ordinary shares to 192,399,200 ordinary.

(b) On 6 July 2015, the company allotted 4,550,000 ordinary shares amounting to $910,000 to acquire the remaining 10,001 ordinary shares (or 50%) in the associate. From that date, the group gained control and it became a subsidiary. See Note 13A for more details.

(c) On 6 July 2015, the company allotted 3,006,860 ordinary shares in the company to its non–controlling interests of certain subsidiaries amounting to $633,262 in exchange of shares in those subsidiaries. See Note 13 for more details.

(d) As a result of the purchase price allocation exercise completed in 2016, certain revisions were made to the provisional accounting of the acquisition. As such, consideration for the acquisition was revised from $1.1m to $1.3m. This is as a result of using the closing share price of Netccentric Limited on completion date. See Note 13A for more details.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are insignificant external borrowings. The debt–to–adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

19. Foreign currency translation reserve

	Group	
	2016	2015
	$	$
Balance at beginning of the year	(199, 807)	166, 604
Exchange differences on translating foreign operations	(12, 828)	(366, 411)
Balance at end of the year	(212, 635)	(199, 807)

20. Share options

	Group and Company	
	2016	2015
	$	$
Balance at beginning of the year	228, 000	–
Grant of share options	-	228, 000
Balance at end of the year	228, 000	228, 000

18. Share options (continued)

On 2 July 2015, pursuant to an Option Deed signed between the company and Right Click Capital Management Pty Limited, the company issued 1,312,500 share options as partial consideration of professional fees rendered in relation to the initial public offering of the company. The share option had an exercise price of A$0.22, expiring on 5 July 2020 (60 months after the date which the shares are first quoted on the ASX).

The estimate of the grant date fair value of each option issued is based on the Black–Scholes option pricing model (Level 3). In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non–transferability of the options granted.

For the reporting year, the total charges to profit or loss included in administrative expenses amounted to $Nil (2015: $228,000).

Inputs in the model include:

	$
Historical and expected volatility	125.17%
Dividend yield	0.00%
Risk–free rate	2.29%
Share price	A$0.20
Exercise price	A$0.22
Expected option term of years	5 years

Expected volatility was determined taking into consideration the company's volatility over a five-year period prior to each award date. Dividends used are those last known at the date the option was granted.

21. Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade payables:				
Outside parties and accrued liabilities	2, 105, 307	2, 081, 841	81, 619	146, 075
Subsidiaries (Note 3)	–	–	1, 188, 741	1, 023, 609
Associates (Note 3)	–	24, 033	–	10, 903
Trade payables – subtotal	2, 105, 307	2, 105, 874	1, 270, 360	1, 180, 587
Other payables:				
Outside parties	134, 439	579, 468	16, 316	–
Director (Note 3)	701, 324	725, 514	245, 939	266, 251
Subsidiaries (Note 3)	–	–	518, 897	378, 100
Other payables – subtotal	835, 763	1, 304, 982	781, 152	644, 351
Total trade and other payables	2, 941, 070	3, 410, 856	2, 051, 512	1, 824, 938

22. Other Liabiltiies

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Deferred revenue	480, 844	339, 310	–	–

23. Other financial liabilities

	Group	
	2016	2015
	$	$
Finance lease		
Non–current	24, 608	30, 573
Current	5, 191	5, 008
Total non–current and current	29, 799	35, 581
The non–current portion is repayable as follows:		
Due within two to five years	24, 608	22, 988
After five years	-	7, 585
Total non–current portion	24, 608	30, 573

23A. Finance leases

	Minimum payments	Finance charges	Present value
	$	$	$
2016			
Minimum lease payments payable:			
Due within one year	6, 554	(1, 363)	5, 191
Due within two to five years	27, 296	(2, 688)	24, 608
Total	33, 850	(4, 051)	29, 799
Net book value of plant and equipment under finance leases			49, 917

23. Other financial liabilities (continued)

23A. Finance leases (continued)

	Minimum payments	Finance charges	Present value
	$	$	$
2015			
Minimum lease payments payable:			
Due within one year	6, 696	(1, 688)	5, 008
Due within two to five years	26, 784	(3, 796)	22, 988
Due after five years	7, 801	(216)	7, 585
Total	41, 281	(5, 700)	35, 581
Net book value of plant and equipment under finance leases			67, 541

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	2016	2015
Average lease term, in years	7	7
Average effective borrowing rate per year	2.65%	2.65%

24. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non–cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Not later than one year	211, 163	167, 204	30, 000	7, 500
Later than one year and not later than five years	44, 425	47, 527	10, 000	–
	255, 588	214, 731	40, 000	7, 500
Rental expense for the year	435, 268	395, 908	30, 000	30, 000

Rental expense is included under administrative and operating expenses in profit and loss.

Operating lease payments represent rentals payable by the group and company for certain of its leasehold properties and plant and equipment. The lease rental terms are negotiated for term of 1 to 4 years (2015: 1 to 4 years).

25. Financial Instruments: Information on financial risks

25A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Financial assets:				
Cash and cash equivalents	7, 605, 552	12, 901, 717	5, 513, 427	11, 039, 787
Loans and receivables	3, 188, 258	3, 079, 355	2, 700, 814	1, 772, 833
At 31 December	10, 793, 810	15, 981, 072	8, 214, 241	12, 812, 620
Financial liabilities:				
Trade and other payables at amortised cost	2, 941, 070	3, 410, 856	2, 051, 512	1, 824, 938
Other financial liabilities at amortised cost	29, 799	35, 581	–	–
At 31 December	2, 970, 869	3, 446, 437	2, 051, 512	1, 824, 938

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency and credit risk for all kinds of transactions.
2. All financial risk management activities are carried out and monitored by senior management staff.
3. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

25C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short–term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25. Financial instruments: Information on financial risks (continued)

25D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount of the entity could have to pay if the guarantee is called on; and a full amount of any payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is significant concentration of credit risk on receivables, as the exposure is spread over a small number of counterparties and debtors.

Note 17 discloses the maturity of the cash and cash equivalent balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 60 days (2015: 30 to 60 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables:				
Past due less than three months	1, 289, 932	1, 062, 206	42, 278	–
Past due three to six months	615, 510	695, 179	–	–
Past due over six months	175, 171	259, 449	454, 360	12, 568
Total	2, 080, 613	2, 016, 834	496, 638	12, 568

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables:				
91 to 120 days	–	5, 700	–	–
Over 120 days	131, 795	211, 743	902, 639	60, 846

The allowance which is disclosed in Note 15 on trade receivables is based on individual accounts that are determined to be impaired at the end of reporting year. These are not secured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

25. Financial instruments: Information on financial risk (continued)

25D. Credit risk on financial assets (continued)

Concentration of trade receivables customers as at the end of the reporting year:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Top 1 customer	206, 534	406, 329	890, 560	470, 081
Top 2 customers	409, 978	542, 289	1, 241, 929	711, 915
Top 3 customers	604, 296	642, 708	1, 445, 098	915, 084

25E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non–derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Less than one year	One to five years	Total
	$	$	$
Group			
2016:			
Gross finance lease obligations	6, 554	27, 296	33, 850
Trade and other payables	2, 941, 070	–	2, 941, 070
At 31 December	2, 947, 624	27, 296	2, 974, 920
2015:			
Gross finance lease obligations	6, 696	34, 585	41, 281
Trade and other payables	3, 410, 856	–	3, 410, 856
At 31 December	3, 417, 552	34, 585	3, 452, 137
Company			
2016:			
Trade and other payables	2, 051, 512	-	2, 051, 512
At 31 December	2, 051, 512	-	2, 051, 512
2015:			
Trade and other payables	1, 824, 938	-	1, 824, 938
At 31 December	1, 824, 938	-	1, 824, 938

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2015: 60 days). The other payables are with short–term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

25. Financial instruments: Information on financial risk (continued)

25F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Financial liabilities with interest:				
Fixed rates	29, 799	35, 581	-	-
Total at end of the year	29, 799	35, 581	-	-
Financial assets with interest:				
Fixed rates	3, 198, 422	5, 222, 179	3, 198, 422	5, 222, 179
Trade and other payables	3, 198, 422	5, 222, 179	3, 198, 422	5, 222, 179

Sensitivity analysis: The effect on pre-tax profit is not significant.

25G. Foreign currency risks

Analysis of significant amounts denominated in non–functional currencies:

	Australian Dollars	Great British Pounds	United Stes Dollors	Total
	$	$	$	$
Group				
2016:				
Financial assets:				
Cash	3, 198, 422	417, 413	989, 160	4, 604, 995
Total financial assets	3, 198, 422	417, 413	989, 160	4, 604, 995
Financial liabilities:				
Trade and other payables	-	-	–	-
Total financial liabilities	-	-	–	-
Net financial assets at end of the year	3, 198, 422	417, 413	989, 160	4, 604, 995
2015:				
Financial assets:				
Cash	5, 522, 719	2, 064, 600	730, 750	8, 318, 069
Total financial assets	5, 522, 719	2, 064, 600	730, 750	8, 318, 069

25. Financial instruments: Information on financial risk (continued)

25G. Foreign currency risks (continued):

	Australian Dollars $	Great British Pounds $	United Stes Dollors $	Total $
Group (continued)				
2015 (continued):				
Financial liabilities:				
Trade and other payables	30, 716	–	3, 191	33, 907
Total financial liabilities	30, 716	–	3, 191	33, 907
Net financial assets at end of the year	5, 492, 003	2, 064, 600	727, 559	8, 284, 162

	Australian Dollars $	Great British Pounds $	Malaysian Ringgit $	United States Dollars $	Thai Bhat $	Others $	Total $
Company							
2016:							
Financial assets:							
Cash	3, 198, 422	417, 413	–	989, 160	-	-	4, 604, 995
Loans and receivables	587, 460	335, 815	890, 560	-	291, 684	752, 437	2, 857, 956
Total financial assets	3, 785, 882	753, 228	890, 560	989, 160	291, 684	752, 437	7, 462, 951
Financial liabilities:							
Trade and other payables	1, 408	-	1, 188, 740	-	-	-	1, 190, 148
Total financial liabilities	1, 408	-	1, 188, 740	-	-	-	1, 190, 148
Net financial assets (liabilities) at end of the year	3, 784, 474	753, 228	(298, 180)	989, 160	291, 684	752, 437	6, 272, 803
2015:							
Financial assets:							
Cash	5, 522, 719	2, 064, 600	–	730, 750	-	-	8, 318, 069
Loans and receivables	366, 950	81, 744	470, 081	-	291, 684	430, 596	1, 641, 055
Total financial assets	5, 889, 669	2, 146, 344	470, 081	730, 750	291, 684	430, 596	9, 959, 124
Financial liabilities:							
Trade and other payables	30, 716	-	1, 019, 239	-	-	10, 753	1, 060, 708
Total financial liabilities	30, 716	-	1, 019, 239	-	-	10, 753	1, 060, 708
Net financial assets (liabilities) at end of the year	5, 858, 953	2, 146, 344	(549, 158)	730, 750	291, 684	419, 843	8, 898, 416

25. Financial Instruments: Information on financial risks (continued)

25G. Foreign currency risks (continued):

Sensitivity analysis:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
A hypothetical 3% strengthening in the exchange rate of the functional currency $ against AUD with all other variables held constant would have an (adverse) / favourable effect on pre-tax profit of	(95, 953)	(164, 760)	(113, 534)	(175, 769)
A hypothetical 2% strengthening in the exchange rate of the functional currency $ against GBP with all other variables held constant would have an (adverse) / favourable effect on pre-tax profit of	(8, 348)	(41, 292)	(15, 065)	(42, 927)
A hypothetical 3% strengthening in the exchange rate of the functional currency $ against USD with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	(29, 675)	(21, 827)	(29, 675)	(21, 923)
A hypothetical 2% strengthening in the exchange rate of the functional currency $ against MYR with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	NA	NA	5, 964	10, 983
A hypothetical 1% strengthening in the exchange rate of the functional currency $ against THB with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	NA	NA	(2, 917)	(2, 917)

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on the profit or loss.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure at end of reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

26. Events after the end of the reporting year

On 3 March 2017, Mr Desmond Kiu was appointed as the new Chief Executive Officer of the company.

On 27 January 2017, Mr Cheo Ming Shen resigned from his position as the Chief Executive Officer of the company.

On 6 January 2017, the company sold its entire interest in Exteen Co. Ltd to Mr Pruet Narathatsajan at $57,194.

27. Changes and adoption of financial reporting standards

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

Reference	Title
Various	Improvements to FRSs (Issued in January 2014). Relating to
	FRS 103 Business Combinations
	FRS 108 Operating Segments
	FRS 113 Fair Value Measurement
	FRS 16 Property, Plant and Equipment
	FRS 24 Related Party Disclosures
	FRS 38 Intangible Assets
Various	Improvements to FRSs (Issued in February 2014). Relating to
	FRS 103 Business Combinations
	FRS 113 Fair Value Measurement
	FRS 40 Investment Property

28. New or amended standards in issue but not yet effective

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

Reference	Title	Effective date (Annual periods beginning on or after)
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115	1 January 2018
	Revenue from Contracts with Customers	
FRS 116	Leases	1 January 2019

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 24 March 2017.

ASX LISTING RULE 4.10.19

Netccentric Limited has used the cash and assets in a form readily convertible to cash it at the time of admission in a way consistent with his business objectives.

Analysis of number of equity security holders by size of holding:

Size of Holding	Number of Holders of Ordinary Shares	Shares Hold	% of Issued Shares
100, 001 and Over	60	257, 004, 713	97.91
10, 001 to 100, 000	118	4, 725, 449	1.80
5, 001 to 10, 000	69	673, 291	0.26
1, 001 to 5, 000	28	94, 753	0.04
1 to 1, 000	16	1, 794	0.00
Total	291	262, 500, 000	100.00

Analysis of number of equity security holders by size of holding:

SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

Name of Holder	Ordinary Shares Hold
Ming Shen Cheo and/or Nominees	95, 215, 461
Ewe Tiam Tiah	94, 296, 749
Thee Kian Tian and/or Nominees	18, 100, 001
Total	207, 612, 211

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Each shareholder is a holder of CDI's. All shareholders are entitled to vote by informing the CDN of their intentions within 3 business days of a poll. Each CDI will have one vote.

On–market buy check

There is currently no on–market by–back program for any of Netccentric Limited's listed securities.

Listing Rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of Netccentric Limited is scheduled for 31st May 2017.

EQUITY SECURITY HOLDERS

1. Twenty largest quoted equity security holders
2. The names of the twenty largest holders of quoted equity securities are listed below:

Rank	Name	No of Shares	% of Issued Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	99, 571, 003	37.93
2	CITICORP NOMINEES PTY LIMITED	97, 796, 119	37.26
3	TA SECURITIES HOLDINGS BERHAD	16, 615, 001	6.33
4	TASEC NOMINEES (ASING) SDN BHD	4, 728, 500	1.80
5	TASEC NOMINEES (TEMPATAN) SDN BHD	4, 660, 000	1.78
6	WEIJIE LIONEL CHIN	4, 550, 000	1.73
7	KEVIN TSAI SHAO CHUNG	3, 750, 000	1.43
8	J P MORGAN NOMINEES AUSTRALIA LIMITED	3, 096, 511	1.18
9	MR PANG TEE CHEW	2, 500, 000	0.95
10	BNP PARIBAS NOMS PTY LTD	2, 453, 363	0.93
11	HUI WEN YANG	1, 925, 103	0.73
12	T T NICHOLLS PTY LTD	1, 900, 000	0.72
13	MS SOO WAH TAN	1, 020, 000	0.39
14	SHL PTY LTD	750, 000	0.29
15	OCCASIO HOLDINGS PTY LTD	637, 500	0.24
16	FUTURE SUPER PTY LTD	500, 000	0.19
16	MS SOO KIAN TAN	500, 000	0.19
17	MISS KAH RUEY TIONG	450, 000	0.17
18	GARETH DAVIES	431, 958	0.16
18	CHENG LEONG FOONG	431, 958	0.16
19	WALLCLIFFE COTTAGES PTY LTD	377, 500	0.14
20	HAMMERHEAD HOLDINGS PTY LTD	350, 000	0.13
	Total	**248, 994, 516**	**94.86**
	Balance of register	**13, 505, 484**	**5.14**
	Grand total	**262, 500, 000**	**100.00**

Unquoted equity securities: Nil

Holders of 20% or more of unquoted equity securities: Nil

Registration No: 200612086W

More information please visit:

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