ANNUAL REPORT 2020

Netccentric Limited

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01. CORPORATE DIRECTORY

DIRECTORS

GANESH KUMAR BANGAH
Executive Chairman

JOANNE KHOO SU NEE
Independent Non-Executive Director

ROBERT WILLIAM SULTAN
Independent Non-Executive Director

DARREN JOHN COOPER
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

JOANNE KHOO SU NEE (CHAIR)
ROBERT WILLIAM SULTAN
DARREN JOHN COOPER

REMUNERATION COMMITTEE

ROBERT WILLIAM SULTAN (CHAIR)
JOANNE KHOO SU NEE
DARREN JOHN COOPER

REGISTERED OFFICE

NETCCENTRIC LIMITED
600 North Bridge Road, #23-01
Parkview Square
Singapore 188778

AUSTRALIAN REGISTERED ADDRESS

NETCCENTRIC LIMITED
C/- Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000

SHARE REGISTRY

Automic Pty Ltd
GPO Box 5193
Sydney NSW 2000

COMPANY SECRETARIES

LEE TAMPLIN
Automic Pty Ltd
GPO Box 5193
Sydney NSW 2000

SIN CHEE MEI
BDO Corporate Services Pte Ltd
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

INDEPENDENT AUDITOR

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

Partner–in–charge: Naveen Sasidaran

BANKERS

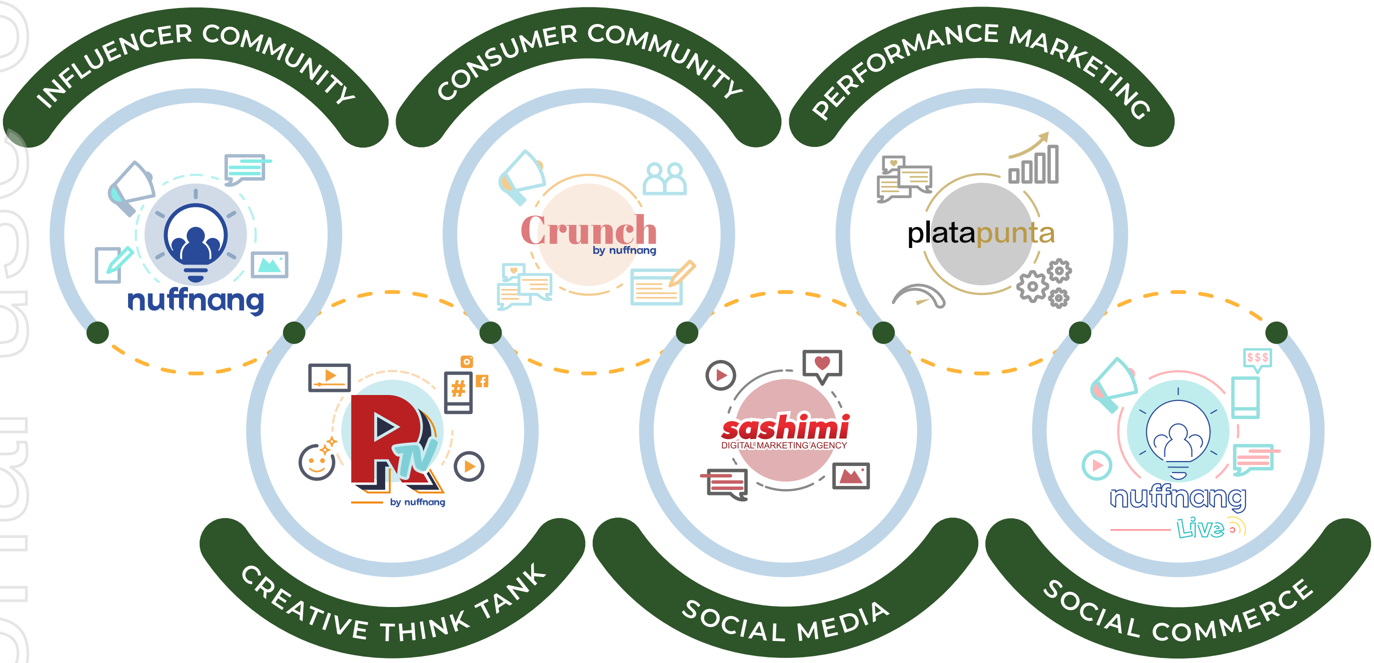
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

UNITED OVERSEAS BANK LIMITED

STOCK EXCHANGE LISTING

AUSTRALIAN SECURITIES EXCHANGE (ASX : NCL)

02. ABOUT NETCCENTRIC LIMITED



NETCCENTRIC LIMITED ("NETCCENTRIC" OR THE "COMPANY") is a digital media business established in 2006, which achieved revenues of SGD7.9 million in 2020. Netccentric operates multiple businesses in the digital advertising sector across various geographies, with the key markets being Malaysia and Taiwan.

NETCCENTRIC OFFERS ITS CLIENTS THE FOLLOWING KEY SERVICES:

a) Influencer Platform (approximately 57.7% of FY2020 revenue);
b) Social Media Agency (approximately 20.8% of FY2020 revenue);
c) Performance Marketing Agency (approximately 17.8% of FY2020 revenue);
d) Digital Asset Production (approximately 3.7% of FY2020 revenue); and
e) Live Commerce Enabler (new service).

NUFFNANG

Nuffnang is the pioneer in the Influencer and Content Marketing industry. After more than a decade in the business, Nuffnang continues to empower influencers to create inspiring and compelling content for our clients, regardless of platforms; Facebook, YouTube, Instagram and now, TikTok.

RTV

RTV specializes in video marketing and creative design services. As online video is still one of the most engaging and shareable type of content today, RTV works with clients to produce different types of video content for every stage of the marketing funnel; from attracting their potential customers at the initial awareness stage all the way to the conversion stage, including retention.

CRUNCH

Crunch is a community-driven platform with a mission to inspire people to become the best versions of themselves. Its platform focuses on bringing content, events, workshops and community engagements that are geared towards developmental topics that are impactful for its audience of 18 – 30 year olds.

SASHIMI

Sashimi is a Digital Marketing Agency, providing an end-to-end service from design and digital content creation, to management of paid media and public relations.

DEJITARU

Dejitaru is a Social Media Agency, specializing in advertising through social media content, communities and influencers.

PLATA & PUNTA

Plata & Punta is a digital media agency specialising in Performance Marketing

NUFFNANG LIVE

Nuffnang Live Commerce is a live commerce enabler aiming to provide merchants and their customers with a seamless and automated livestream shopping experience.

03.

EXECUTIVE CHAIRMAN'S MESSAGE

GANESH KUMAR BANGAH

Dear Shareholders,

Welcome to the 2020 Annual Report for Netccentric Limited (ASX: NCL). Netccentric had a successful year, delivering increases in revenue and profit whilst successfully executing the Group's growth strategy.

The Group is Asia's pioneering digital growth ecosystem, evolving from a blogging network established in 2006. We develop software and platforms that enable commerce and customer engagement, and also operate a range of digital advertising businesses in our key markets of Malaysia and Taiwan.

Over the past 12 months, Netccentric reinforced its status as a pioneering and established provider of social media influencer marketing solutions as the Group began to launch its innovative social commerce platform, Nuffnang Live Commerce. Although the impacts of COVID-19 presented challenges for companies in most industries, Netccentric improved its financial and strategic position during the year by diversifying and innovating its product offerings while ensuring that the Group's existing businesses remain sustainable and profitable.

The Group's growth in 2020 was substantially driven by its core influencer marketing business in Malaysia, Nuffnang Malaysia, where revenue increased by 21% YoY and contributed 43% of Group revenue, reflecting the Group's continued focus on influencer penetration and monetisation.

The Group continues to pursue the fast-growing influencer market opportunity and is developing new growth drivers and competitive advantages through expansion into the small-to-medium enterprise (SME) segment and the social commerce market. Netccentric strengthened its ability to execute this strategy by becoming majority shareholder of Nuffnang Live Commerce in November 2020. This platform provides a fully integrated and seamless user interface from live video production and streaming through to automated order management, online payment and fulfilment.

Nuffnang Live Commerce has complemented the Group's existing products and created an ecosystem through which Netccentric can provide its clients with end-to-end growth solutions. The Group expects Nuffnang Live Commerce to generate revenue in FY2021 and ultimately provide sustainable and scalable growth for the Group.

In 2020, Netccentric achieved revenue of S$7.9m which is an increase of 15% year-on-year (YoY) on a like-for-like basis [1]. We generated a profit before tax of S$0.1m, a result that can be attributed to our continued focus on tight cost controls, improving operational efficiency and efforts to maximise profit margins (which remained strong at 48% in FY2020).

The Group generated net operating cashflow of S$355k in FY2020, representing the first cashflow positive year since its ASX listing in 2015. This represents an operating cashflow improvement of S$446k from FY2019 and an improvement of S$1.4m from FY2018.

These results represent a significant financial turnaround after the Group recorded net losses in previous years. The turnaround is all the more significant as it was achieved amongst some of the most challenging market conditions in recent memory given the impact of the ongoing global COVID-19 pandemic on consumer and business confidence.

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(1) Excluding the impact of the Group's Thailand and Indonesia entities which were disposed of in FY2019

Outlook

We remain focused on our key strengths and on driving efficiency gains in key areas to maintain our competitive edge. At the same time, we remain proactive in our ongoing efforts to diversify Netccentric's offerings throughout our vertically integrated business units in a way that adds value to our clients and investors. To this end, Netccentric is actively exploring a number of strategic and complementary M&A opportunities which offer potential to accelerate the Group's growth trajectory. We remain confident that our diversified model and strategic initiatives will deliver ongoing growth for Netccentric's shareholders.

Netccentric entered 2021 with S$3.4 million in cash and no debt, providing strength and flexibility to fund the Group's growth objectives going forward. Post year end, in February 2021, we completed a strongly supported AU$3.05 million (before costs) placement of Chess Depository Interests (CDIs) to fund our growth. Total placement demand exceeded AU$6 million, demonstrating investor confidence in our Company and its ability to drive growth and create value. We thank our shareholders, both new and existing, for their continued support and belief in what we can do.

Our expansion into social commerce comes as interest in this way of doing business continues to grow, with Asia Pacific social commerce sales having reached US$2 trillion annually by 2019 and sales of this type expected to double by 2024[2]. We are well-placed with an established base business and innovative new technology to capture an increased share of this large and growing market.

On behalf of the Board of Directors, I would like to take this opportunity to thank our dedicated employees and management team for their stellar efforts in FY2020. We would also like to thank Netccentric's business partners and associates, principals, trade associations and bankers for their valuable ongoing support.

I look forward to another busy year ahead in 2021 as we continue to execute on our strategy.

Yours sincerely,

Ganesh Kumar Bangah
Executive Chairman

[2] https://www.businesswire.com/news/home/20200520005355/en/Social-Commerce-Sales-Expected-to-Double-by-2024-in-Asia-Pacific

04.

DIRECTORS' PROFILES

GANESH KUMAR BANGAH

Ganesh Kumar Bangah, Executive Chairman of the Company is an award winning serial entrepreneur and startup investor. Ganesh was the Ernst & Young Technology Entrepreneur of the Year Malaysia 2012 and one of Asia's most influential people according to Society Magazine 2015. He was also recognised as one of South East Asia's Top 30 Tech Founders by Tech In Asia in 2016 and was recognised as one of the the most inspiring Malaysian technology entrepreneurs by Top 10 of Malaysia.

Ganesh founded Commerce.Asia, an all-in-one eCommerce Ecosystem in 2017. He grew Commerce.Asia within 4 years to have a database of over 8,000,000 SME's across 7 countries with over 100,000 sellers that sold RM3.4 billion (USD819 million) worth of products in 2020.

Prior to founding Commerce.Asia, Ganesh founded his first internet business, MOL Global Inc. ("MOL") in the year 2000 at the tender age of 20. He served as the Chief Executive Officer of MOL for 15 years since its inception. Ganesh was certified by the Malaysia Book of Records as the youngest Chief Executive Officer of a Malaysian public listed company when MOL was originally listed on the Malaysian Stock Exchange in 2003. Ganesh built MOL to become one of South East Asia's leading online payment gateways and South East Asia's first internet company to be listed on the NASDAQ in 2014. He was also the Founder MOL Ventures, an investment holding company which made successful private investments in global social media companies such as Facebook and Friendster.

Ganesh is the former Chairman and current Advisor of the National Tech Association of Malaysia ("PIKOM"). Ganesh is also a Board Member of MAGIC, the Malaysian Global Innovation & Creativity Centre and a member of Malaysia's Special Task Force to Facilitate Business (PEMUDAH).

JOANNE KHOO SU NEE

Joanne Khoo Su Nee was appointed as an Independent Non-Executive Director of the Company on 26 July 2017. She is currently a Director of Bowmen Capital Private Limited, a company that provides business and management consultancy services. She also serves as an Independent Director of Teho International Inc Ltd, Excelpoint Technology Ltd and ES Group (Holdings) Limited, which are companies listed on the Singapore Exchange Securities Trading Limited ("SGX"). Joanne was formerly an Independent Director at PayLinks Pte Ltd, wholly owned by iPayLinks Limited and was also formerly an Independent Director at Kitchen Culture Holdings Ltd, listed on the SGX.

Joanne has more than 24 years of experience in corporate finance and business advisory services. From 2008 to 2012, she was a Director of corporate finance at Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited). Prior to this, she was involved in a wide range of corporate finance activities in the employment of Phillip Securities Pte Ltd and Hong Leong Finance Limited. From 2000 to 2004, she was with Stone Forest Consulting Pte Ltd where she was involved in providing consultancy services to companies seeking public listings in Singapore. From 1997 to 2000, she was with PricewaterhouseCoopers.

Joanne graduated with a Bachelor of Business in Accountancy from Royal Melbourne Institute of Technology University in 1996. She was admitted as a Certified Public Accountant by the CPA Australia in 1999 and a Chartered Accountant under the Malaysian Institute of Accountants in 2000. She was also a member of the Women Corporate Directors, the world's largest membership organization and community of women corporate board Directors.

ROBERT WILLIAM SULTAN

Robert is a corporate and commercial lawyer and a former partner of and currently a senior consultant to the leading international law firm, Norton Rose Fulbright Australia. He has a 30-year portfolio in mergers and acquisitions (M&A), corporate advisory, equity capital markets and corporate governance as well as being a member of corporate governance and advisory boards in the aged care and local government sectors. He continues to act for a number of listed tech companies with operations in Australia and overseas. He is also recognised by his peers by being included in the M&A and corporate categories in the Best Lawyers® Australia publication. A former member of the Australian Takeovers Panel, Robert is also currently the independent Director of the Gourlay Family Office which includes the Gourlay Family Trust. The Trust, in conjunction with Trinity College Melbourne, established the Gourlay Visiting Professor of Ethics in Business. Robert holds a first class honours Bachelor of Law degree and a Bachelor of Arts degree, majoring in economics.

DARREN JOHN COOPER

Darren has over 25 years senior and C-Suite management experience, having held roles with State and National responsibilities in banking & finance and property. He was also a part-time lecturer at Curtin University.

He is now Managing Director of a private consulting business, through which he provides strategy, operational improvement and leadership development services to a range of government and private-sector organisations.

In addition to his role as a Non-Executive Director with Netccentic, Darren is the Board Chair of The Go2 People Ltd (ASX:G02) and Spectur Ltd (ASX:SP3).

Darren is also active in the not-for-profit "for purpose" space, being Deputy Board Chair of community housing organisation Foundation Housing Ltd, and Board Chair of Ocean Gardens Retirement Village Inc.

Darren holds a Bachelor of Business (Curtin University), a Graduate Diploma in Finance (Edit Cowan University) and a Masters of Applied Finance (Macquarie University), and is a Graduate of the Australian Institute of Company Directors (GAICD).

DIRECTORS' MEETINGS

	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Director						
Ganesh Kumar Bangah	2	2	1	1	1	1
Joanne Khoo Su Nee	4	4	2	2	2	2
Robert William Sultan	1	1	-	-	-	-
Darren John Cooper	1	1	-	-	-	-
David Chiam Joy Yeow [1]	3	3	2	2	2	2
Ong Eng Gin [2]	2	2	1	1	1	1

A - Number of meetings attended.

B - Number of meetings held during the time the Director held office during the period.

[1] David Chiam Joy Yeow resigned as Director on 1 September 2020.
[2] Ong Eng Gin resigned as Director on 9 July 2020.

05.

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 4th Edition ("Principles & 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;

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;

l) determining the independence of Independent and Non–Executive Directors;

m) determining the process of evaluation of the performance of the Board, its committees as well as Chief Financial Officer and Chief Operating Officer;

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 or senior executive and has in place written agreements with each Director and senior executive 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 Company provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Board currently consists of three Independent Non-Executive Directors and an Executive Chairman. Ganesh Kumar Bangah has been appointed as Executive Chairman to allow him to be in the most effective position to utilise his extensive skillset to drive the Company's strategies as well as to focus on transforming it into a sustainable growth entity.

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.

As set out in the Board Charter, the Company Secretary is accountable to the Board.

The Company does not currently have a Nomination Committee. As a result, the responsibility of Board succession planning lies with the full Board as per the Company's Board Charter.

The Company feels it has an appropriate mix of skills on the Board. The biographies of each Director can be viewed in the Annual Report.

Continuous Disclosure and Rights of Security Holders

In accordance with Principle 5 of the Principles & Recommendations, the Company:

- has a Continuous Disclosure Policy and ensures it complies with its continuous disclosure obligations under Listing Rule 3.1;
- ensures that its Board receives copies of all material announcements; and
- releases a copy of any new or substantive investor presentations to the ASX ahead of the presentation.

Any reports released by the Company to the ASX which are not audited or reviewed by an external auditor are reviewed by the Company's investor relations team as well as legal counsel (if required). Any release to the ASX by the Company generally requires the approval of the full Board.

Further information about the Company and its governance is available to investors on the Company's website. This includes the Company's Communications Policy which outlines the Company's methods of communication with its Security Holders as well as its process for facilitating participation at its Security Holder meetings.

Whilst the Company's annual general meeting will be held in Malaysia each year, it will provide Security Holders outside of Malaysia the opportunity to participate through the use of technology and those unable to attend will be able to submit questions and comments to be addressed at the meeting, in advance. Questions and comments can also be submitted for the attention of the Company's Auditor who will be in attendance at all annual general meetings of the Company. Substantive resolutions at general meetings of the Company are decided by way of poll.

Security Holders are also encouraged to elect to receive electronic communications from the Company and its Security Registry and can do so through the websites of the Company and the Security Registry respectively.

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.

Mission, Vision and Ethical Standards

The mission of the Company is to generate value for communities and growth for businesses by empowering them with digital platforms and social media innovations. The vision of the Company is to generate wealth through the convergence of social media and commerce across all levels of society.

Mission, Vision and Ethical Standards (continued)

The Board is committed to the establishment and maintenance of appropriate ethical standards and these standards are adhered to by the Company in the implementation of its vision and execution of its mission. The Company intends to formulate values in accordance with its mission and vision during the next reporting period.

Independent Professional Advice

The Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration Committee

The remuneration of the Executive Chairman, Chief Financial Officer and Chief Operating Officer will be decided by the Board following the recommendation of the Remuneration Committee. The Remuneration Committee is currently comprised of all Independent Non-Executive Directors and is chaired by Independent Non-Executive Director, Robert Sultan.

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 AU$160,000 per annum. Total remuneration paid to Non-Executive Directors for the year-ended 2020 was S$64,029.

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 reimbursed reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Remuneration Committee is responsible for setting and undertaking the review process for its senior executives, the Board, committees and individual Directors. The Remuneration Committee makes recommendations to the Board regarding 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.

Performance evaluations of the senior executives were conducted in accordance with the Committee's established review processes, however a Board review was not deemed warranted, given the significant changes in its composition during the reporting period.

The Remuneration Committee 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 employees. The policy generally provides that employees must not deal in the Company's securities if in possession of inside information or during specific closed periods and provides the process to follow to seek approval to trade at all other times. The policy also prohibits trading that is directed at limiting the economic or financial risk associated with a person's holding of securities which includes options issued under the Company's Employee Securities Incentive Plan.

Diversity 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. As at the date of this annual report, the Board has not developed measurable objectives for achieving diversity but will continue to review its diversity in line with its Diversity Policy.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. The Board intends to adopt a formal Code of Conduct ("Code") to be followed by all employees (including temporary employees and contractors) and officers, in addition to the Employee Handbook already in place for some entities within the Group.

The key aspects of this Code will include the requirement 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.

The Code, a Whistleblower Policy as well as an Anti-Bribery and Corruption Policy (together, the "Policies") will be adopted by the Company in due course and be made available for review in the Corporate Governance section of the Company's website. Presently, the Company considers that due to the internal checks and balances it currently has in place, as well the relevant governing laws in its jurisdiction of formation, it broadly adheres to the tenor and practices of the proposed Policies.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which is currently comprised of all Independent Non-Executive Directors and is chaired by Independent Non-Executive Director, Joanne Khoo Su Nee.

The Audit and Risk Committee 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.

In accordance Recommendation 4.2 of the Principles & Recommendations, before the Board approves the Company's financial statements for a financial period it receives a declaration from the Company's Executive Chairman and Chief Financial Officer that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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

	$
Member firms of RSM International	109,547
Other audit firms auditing certain subsidiaries of the Group	8,521
Total	118,068

b) Non–audit fees

	$
Member firms of RSM International	7,211

The Audit and Risk Committee has reviewed and is of the opinion that the non-audit services rendered during FY2020 were not substantial.

Internal Audit

The Company does not have an internal audit function and the risk management framework was not formally reviewed during the reporting period. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy to be 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 environmental and social 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 Executive Chairman and Chief Financial Officer have reported and declared in writing to the Board that the Group's management of its material business risks is effective.

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 which is stipulated in their letter of appointment. 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 has regard to a number of variables, 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.

Employment contracts for 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
Ganesh Kumar Bangah	Executive Chairman (appointed as Director 9 July 2020 and Executive Chairman 1 September 2020)
Robert Sultan	Independent Non-Executive Director (appointed 1 September 2020)
Darren Cooper	Independent Non-Executive Director (appointed 1 September 2020)
Joanne Khoo Su Nee	Independent Non-Executive Director (appointed 26 July 2017)
David Chiam Joy Yeow	Independent Non-Executive Director (resigned 1 September 2020)
Ong Eng Gin	Independent Non-Executive Director (resigned 9 July 2020)

Remuneration Report

The breakdown of remuneration of the Non-Executive Directors of the Company (in percentage term) is set out below:

	Directors' fee	
Name	**2020**	**2019**
Non-Executive Directors:		
Joanne Khoo Su Nee	42%	41%
David Chiam Joy Yeow	26%	41%
Robert William Sultan	16%	-
Darren John Cooper	13%	-
Ong Eng Gin	3%	4%

06.

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 2020.

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 this 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:

Ganesh Kumar Bangah **(Appointed on 9 July 2020)**

Darren John Cooper **(Appointed on 1 September 2020)**

Robert William Sultan **(Appointed on 1 September 2020)**

Joanne Khoo Su Nee

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		Deemed Interest	
Name of Director and Company in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
The Company Netccentric Limited				
Ganesh Kumar Bangah	–	–	3,880,000	220,915,517 [1]
Darren John Cooper	–	–	–	201,998 [2]

[1] Held under nominee account HSBC Custody Nominees (Australia) Limited
[2] Held under nominee account Cooper Retirement Pty Ltd

Ms Joanne Khoo Su Nee and Mr Robert William Sultan have no interests in the shares or debentures of the Company and any related body corporates of the Company.

By virtue of section 7 of the Act, Mr Ganesh Kumar Bangah and Mr Darren John Cooper 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 of the Company or other body corporate in the Group 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 or the Company or other body corporate in the Group 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 at the date of this report are as follows:

Joanne Khoo Su Nee	**(Chair of Audit and Risk Committee and Independent Non-Executive Director)**
Robert William Sultan	**(Independent Non-Executive Director)**
Darren John Cooper	**(Independent Non-Executive Director)**

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

a. Reviewed with the independent external auditors their audit plan;

b. Reviewed 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. Reviewed 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. Reviewed 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 did not include an explanation of how the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services as those services were not substantial.

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. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board, the audit and risk committee and the board are of the opinion that the Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2020.

9. 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 23 February 2020, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the Directors

....	....
Ganesh Kumar Bangah	Joanne Khoo Su Nee
Director	Director

31 March 2021

07.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCCENTRIC LIMITED

RSM

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600
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 2020, 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 ("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 2020 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCCENTRIC LIMITED

Key audit matters

Impairment of cost of investment 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 the impairment assessment of cost of investments in subsidiaries and amounts due from subsidiaries at the reporting year end. Refer to Notes 13 and 15 for the investments in subsidiaries and amounts due from subsidiaries respectively.

The net cost of investments in subsidiaries and amounts due from subsidiaries amounted to $281,951 and $267,189 respectively as at 31 December 2020. The net carrying amount of the investments and receivables accounted for 30% of the company's total assets as at the end of the reporting year. As the balances are significant, they were 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 amounts due from the subsidiaries. Any impairment losses on the investments in subsidiaries and the related receivables from these subsidiaries would have to be recognised in the Company's separate financial statements.

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 indicators of impairment loss on these investments and related receivables. A total exposure of $310,665 was considered, comprising fully of an exposure on the net receivables from subsidiaries. The total impairment loss allowance charged to profit or loss for the year was $310,665.

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

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCCENTRIC LIMITED

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 the 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:

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCCENTRIC LIMITED

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

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.

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 Naveen Sasidaran.

RSM Chio Lim LLP

RSM Chio Lim LLP

Public Accountants and
Chartered Accountants
Singapore

31 March 2021

Engagement partner - effective from year ended 31 December 2020

08.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2020

		Group	
	Notes	2020	2019
		$	$
Revenue	5	7,941,880	7,274,194
Cost of sales		(4,146,427)	(3,788,706)
Gross profit		3,795,453	3,485,488
Interest income		3,267	14,970
Other gains	6	202,638	105,177
Finance costs	7	(7,008)	(11,467)
Administrative and operating expenses	8	(3,785,761)	(3,759,324)
Other losses	6	(56,574)	(68,167)
Share of profit from equity-accounted associates	14	–	87,708
Share of loss from joint venture	25	(10,785)	–
Profit (loss) before income tax		141,230	(145,615)
Income tax expense	9	(91,668)	(89,042)
Profit (loss), net of tax		49,562	(234,657)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		31,899	13,655
Other comprehensive income (loss), net of tax		31,899	13,655
Total comprehensive income (loss)		81,461	(221,002)
Profit (loss) for the year, net of tax attributable to:			
Owners of the parent		1,772	(319,880)
Non-controlling interests		47,790	85,223
		49,562	(234,657)
Total comprehensive income (loss) for the year attributable to:			
Owners of the parent		35,956	(306,079)
Non-controlling interests		45,505	85,077
		81,461	(221,002)
Profit (loss) per share:			
Basic and diluted profit (loss) per share (cents)	10	0.0007	(0.12)

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

09.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		Group		Company	
	Notes	2020	2019	2020	2019
		$	$	$	$
ASSETS					
Non-current assets					
Plant and equipment	11	379,971	446,806	–	–
Intangible assets	12	88,240	74,974	–	–
Investments in subsidiaries	13	–	–	281,951	218,719
Investments in associates	14	154,591	154,591	16,932	16,932
Deferred tax assets	9	41,504	691	–	–
Total non-current assets		664,306	677,062	298,883	235,651
Current assets					
Trade and other receivables	15	2,219,596	1,871,005	267,489	468,796
Other assets	16	120,727	128,848	20,071	12,411
Cash and cash equivalents	17	3,376,785	3,135,870	1,215,827	1,399,128
Total current assets		5,717,108	5,135,723	1,503,387	1,880,335
Total assets		6,381,414	5,812,785	1,802,270	2,115,986

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

STATEMENT OF FINANCIAL POSITION

(continued)

		Group		Company	
	Notes	2020	2019	2020	2019
		$	$	$	$
EQUITY AND LIABILITIES					
Equity					
Share capital	18	13,797,086	13,797,086	13,797,086	13,797,086
Accumulated losses		(9,706,924)	(9,936,696)	(12,506,774)	(12,483,800)
Share option reserve	19	–	228,000	–	228,000
Foreign currency translation reserves	20	(358,281)	(392,465)	–	–
Equity attributable to owners of the parent		3,731,881	3,695,925	1,290,312	1,541,286
Non-controlling interests		689,906	606,614	–	–
Total equity		4,421,787	4,302,539	1,290,312	1,541,286
Non-current liabilities					
Deferred tax liabilities	9	–	7,433	–	–
Lease liabilities, non-current	23	73,339	115,555	–	–
Total non-current liabilities		73,339	122,988	–	–
Current liabilities					
Income tax payable		37,022	17,345	196	–
Trade and other payables	21	1,289,061	1,228,687	511,762	574,700
Other liabilities	22	461,495	25,696	–	–
Lease liabilities, current	23	98,710	115,530	–	–
Total current liabilities		1,886,288	1,387,258	511,958	574,700
Total liabilities		1,959,627	1,510,246	511,958	574,700
Total equity and liabilities		6,381,414	5,812,785	1,802,270	2,115,986

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

10.

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2020

	Total equity	Attributable to parent sub-total	Share capital	Accumulated losses	Share option reserves	Foreign currency translation reserves	Non-controlling interests
	$	$	$	$	$	$	$
Group:							
Current year:							
Balance at 1 January 2020	4,302,539	3,695,925	13,797,086	(9,936,696)	228,000	(392,465)	606,614
Changes in equity:							
Total comprehensive income for the year	81,461	35,956	–	1,772	–	34,184	45,505
Acquisition of a non-controlling interest with a change in control (Note 25)	37,787	–	–	–	–	–	37,787
Expiry of share options (Note 19)	–	–	–	228,000	(228,000)	–	–
Balance at 31 December 2020	4,421,787	3,731,881	13,797,086	(9,706,924)	–	(358,281)	689,906
Previous year:							
Balance at 1 January 2019	4,730,061	3,990,378	13,797,086	(9,616,816)	228,000	(417,892)	739,683
Changes in equity:							
Total comprehensive loss for the year	(221,002)	(306,079)	–	(319,880)	–	13,801	85,077
Disposal of subsidiaries with change in control (Note 26)	(182,752)	11,626	–	–	–	11,626	(194,378)
Dividend paid to non-controlling interests	(23,768)	–	–	–	–	–	(23,768)
Balance at 31 December 2019	4,302,539	3,695,925	13,797,086	(9,936,696)	228,000	(392,465)	606,614

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

STATEMENT OF CHANGES IN EQUITY

(continued)

	Total equity	Share capital	Share option reserves	Accumulated losses
	$	$	$	$
Company:				
Current year:				
Opening balance at 1 January 2020	1,541,286	13,797,086	228,000	(12,483,800)
Movements in equity:				
Total comprehensive loss for the year	(250,974)	–	–	(250,974)
Expiry of share options (Note 19)	–	–	(228,000)	228,000
Closing balance at 31 December 2020	1,290,312	13,797,086	–	(12,506,774)
Previous year:				
Opening balance at 1 January 2019	2,092,776	13,797,086	228,000	(11,932,310)
Movements in equity:				
Total comprehensive loss for the year	(551,490)	–	–	(551,490)
Closing balance at 31 December 2019	1,541,286	13,797,086	228,000	(12,483,800)

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

11.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2020

	Group	
	2020	2019
	$	$
Cash flows from operating activities		
Profit (loss) before tax	141,230	(145,615)
Adjustments for:		
Depreciation of plant and equipment	79,681	101,498
Depreciation of right-of-use-assets	106,697	110,750
Loss on disposal and strike off of subsidiaries	–	52,534
Write off of plant and equipment	10,985	6,827
Loss (gain) on disposal of plant and equipment	6,235	(6,909)
Loss on reclassification of joint venture	22,050	–
Share of profit from associate	–	(87,708)
Share of loss from joint venture	10,785	–
Interest income	(3,267)	(14,970)
Interest expenses	7,008	11,467
Operating cash flow before changes in working capital	381,404	27,874
Other assets	8,121	23,627
Trade and other receivables	(371,047)	147,017
Trade and other payables	(4,980)	(275,269)
Other liabilities	435,799	(43,739)
Net cash from (used in) operations	449,297	(120,490)
Income taxes (paid) recovered	(94,221)	29,168
Net cash from (used in) operating activities	355,076	(91,322)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash paid (Note 25)	69,850	–
Acquisition of joint venture (Note 25)	(67,813)	–
Dividend from associate	–	16,578
Interest received	3,267	14,970
Proceeds from disposal of plant and equipment	–	12,360
Purchase of plant and equipment	(130,837)	(128,087)
Disposal of subsidiaries (Note 26)	–	(232,447)
Net cash used in investing activities	(125,533)	(316,626)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

	Group	
	2020	2019
	$	$
Cash flows from financing activities		
Dividend paid to non-controlling interests	–	(23,768)
Lease liabilities – principal portion paid	(59,036)	(115,839)
Movements in amount due to Director	50,909	(92)
Movements in amount due to shareholder	67	6,224
Movements in amounts due to/from related parties	15	(74,130)
Interest paid	(7,008)	(11,467)
Net cash used in financing activities	(15,053)	(219,072)
Net increase (decrease) in cash and cash equivalents	214,490	(627,020)
Cash and cash equivalents, statement of cash flows, beginning balance	3,135,870	3,747,554
Effects of currency translation on cash and cash equivalent	26,425	15,336
Cash and cash equivalents, statement of cash flows, ending balance (Note 17)	3,376,785	3,135,870

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

12.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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 by Directors. The Directors have the power to amend and reissue the financial statements.

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 is listed on the Australian Securities Exchange ("ASX").

The registered office is 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778. The Company is situated in Singapore.

Uncertainties relating to the Covid-19 pandemic:

The Covid-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the reporting entity's business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the Covid-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties and / or disclaimers regarding the impact of Covid-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the reporting entity. Management will continue to closely monitor the future economic developments and their impact. It is however reasonably probable that the Covid-19 pandemic will have an adverse impact on the reporting entity's revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

1. General (continued)

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.

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 (the parent and its subsidiaries) 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 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.

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 financial assets in accordance with the financial reporting standard on financial instruments.

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.

The Group has turned profitable in the current reporting year. The financial position of the entity, its cash flows, liquidity position and borrowings are described in the notes to the financial position. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital, financial risk management objectives, details of financial instruments and its exposure to credit risk and liquidity risk. The entity has net current assets of $3,831,420 including cash and cash equivalents of $3,376,785 as at 31 December 2020. Taking into consideration operational plans of the Group for 2021, the management has a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the management continues to adopt the going concern basis in preparing the financial statements.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Distinct goods or services created over time – For long-term service contracts and projects for constructing, manufacturing or developing an asset the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method.

For the output method the revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as milestones reached. For the output method, as a practical expedient for a performance obligation satisfied over time, if the entity has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the entity's performance to date, revenue is recognised at that amount (for example, in a goods or services contract an entity may have the right to bill a fixed amount for each unit of goods or service provided).

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

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

2A. Significant accounting policies (continued)

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.

Foreign currency transactions

The functional currency of the Company 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 a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation of these financial statements is in the functional currency of the Company.

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

2A. Significant accounting policies (continued)

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.

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. 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.

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

2A. Significant accounting policies (continued)

Subsidiaries (continued)

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 the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments 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. 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 the financial reporting standard on financial instruments 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.

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

2A. Significant accounting policies (continued)

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures (as described above for associates).

Business combinations

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 the financial reporting standard on financial instruments. 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 the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

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.

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

2A. Significant accounting policies (continued)

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 the financial reporting standard on business combinations (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 the financial reporting standard on business combinations.

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.

Plant and equipment

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. 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
Right-of-use assets	–	3 – 5 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.

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

2A. Significant accounting policies (continued)

Plant and equipment (continued)

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.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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.

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

2A. Significant accounting policies (continued)

Intangible assets (continued)

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.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at 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.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

2A. Significant accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

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.

Fair value of measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

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

2A. Significant accounting policies (continued)

Fair value of measurement (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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

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.

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 trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance assessment is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. 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 the Note on trade and other receivables.

Measurement for impairment of cost of investments and net receivables due from subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the costs of investments and net receivables due from the investee have suffered any impairment loss. 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 Notes 13 and 15.

3. Related party relationships and transactions

The financial reporting standard 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.

The ultimate controlling party is Ganesh Kumar Bangah, a Director and significant shareholder.

Related companies in these financial statements include the members of the ultimate controlling party's group of companies. Associates also include those that are associates of members of the ultimate controlling party's group of companies.

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3. Related party relationships and transactions (continued)

3A. Related party transactions:

There are transactions and arrangements between the Group 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 includes the following:

	Group	
	2020	2019
	$	$
Revenue - rendering of services *	199,532	–

*Includes transactions with the Commerce DotAsia Ventures Sdn. Bhd. Group of Companies, a firm where Ganesh Kumar Bangah, Executive Chairman and substantial shareholder of the Company, is also a Director and has substantial direct and indirect interests as a shareholder.

During the reporting year, the Company acquired control over Nuffnang Live Commerce Sdn. Bhd. This acquisition occurred in two stages, the first of which was by way of a joint venture agreement on 24 July 2020 with two other parties, one of which was Commerce DotAsia Ventures Sdn. Bhd., a firm where Ganesh Kumar Bangah, Executive Chairman and substantial shareholder of the Company, is also a director and has substantial direct and indirect interests as a shareholder. See Note 25 for more details.

3B. Key management compensation:

	Group	
	2020	2019
	$	$
Salaries and other short-term employee benefits	373,620	224,608

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

	Group	
	2020	2019
	$	$
Fees to Non-Executive Directors of the Company	64,029	56,837
Remuneration of key management personnel of the Group	309,591	167,771

Further information about the remuneration of individual Non-Executive Directors is provided in the report on corporate governance.

Key management personnel include the 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 the four current Directors (FY2019: three), Chief Operating Officer, Chief Finance Officer and Chief Technology Officer.

3. Related party relationships and transactions (continued)

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	
	2020	2019	2020	2019
	$	$	$	$
Other receivables/(payables):				
Balance at beginning of the year	(50,909)	(51,001)	–	–
Amounts paid out and settlement of liabilities on behalf of a director	–	92	–	–
Amounts paid in and settlement of liabilities on behalf of the company	50,909	–	–	–
Balance at end of the year (Note 21)	–	(50,909)	–	–

Shareholders	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Other receivables/(payables):				
Balance at beginning of the year	(67)	6,157	992	992
Amounts paid in and settlement of liabilities on behalf of the Company	(992)	(6,224)	(992)	–
Amounts paid out and settlement of liabilities on behalf of the shareholders	1,059	–	–	–
Balance at end of the year	–	(67)	–	992
Presented in the statement of financial position as follows:				
Other receivables (Note 15)	–	992	–	992
Other payables (Note 21)	–	(1,059)	–	–
Balance at the end of the year	–	(67)	–	992

Related parties	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Other receivables/(payables):				
Balance at beginning of the year	(961)	(75,091)	–	–
Amounts paid out and settlement of liabilities on behalf of the related parties	15	74,130	–	–
Balance at end of the year (Note 21)	(946)	(961)	–	–

3. Related party relationships and transactions (continued)

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

	Subsidiaries	
	2020	2019
	$	$
Company:		
Other receivables/(payables):		
Balance at beginning of the year	(92,910)	121,626
Amounts paid out and settlement of liabilities on behalf of subsidiaries	–	29,729
Allowance for impairment (Note 15)	(83,437)	(90,033)
Amounts paid in and settlement of liabilities on behalf of the company	(12,201)	(154,232)
Balance at end of the year	(188,548)	(92,910)
Presented in the statement of financial position as follows:		
Other receivables (Note 15)	87,184	187,894
Other payables (Note 21)	(275,732)	(280,804)
Balance at end of the year	(188,548)	(92,910)

4. Financial information by operating segment

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

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

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, (5) Performance marketing agency and (6) 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.

4. Financial information by operating segment (continued)

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

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) Performance marketing agency	Performance marketing agency specialising in the manufacture and construction of advertising devices through any media.
(6) Others	Others including live commerce enablement, 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.

	2020	2019
	$	$
Business Units		
Influencer platform	4,579,344	4,666,782
Social media agency	1,654,629	1,371,884
Performance marketing agency	1,412,736	928,753
Digital asset production	291,354	286,476
Display ad network	3,779	2,799
Others	38	17,500
Total	7,941,880	7,274,194

4. Financial information by operating segment (continued)

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

	2020	2019
	$	$
Country		
Malaysia	6,513,254	5,078,102
Taiwan	1,323,577	1,044,530
Singapore	105,049	799,046
Thailand	–	238,465
Indonesia	–	114,051
Total	7,941,880	7,274,194
Information about revenues from major customers		
Top 1 customer	1,571,797	1,799,524
Top 2 customers	2,078,649	2,300,403
Top 3 customers	2,541,049	2,572,874

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 the above reportable segments.

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

5. Revenue

Revenue classified by type of service:

	Group	
	2020	2019
	$	$
Rendering of services	7,941,880	7,274,194

All the contracts are less than 12 months. The revenue is from rendering of services and is recognised over time. The customers are mostly commercial customers.

6. Other income and gains and (other losses)

	Group	
	2020	2019
	$	$
Allowance for impairment on trade receivables – (loss) reversal (Note 15)	(17,304)	73,344
Foreign exchange adjustment gain (loss)	37,835	(8,806)
Loss on strike off and disposal of subsidiaries (Note 26)	–	(52,534)
(Loss) Gain on disposal of plant and equipment	(6,235)	6,909
Write off of plant and equipment	(10,985)	(6,827)
Loss on reclassification of joint venture (Note 25)	(22,050)	–
Government grants	91,415	9,203
Other income	73,388	15,721
Net	146,064	37,010
Presented in profit or loss as:		
Other gains	202,638	105,177
Other losses	(56,574)	(68,167)
Net	146,064	37,010

During the reporting year, the Group received grants under the Jobs Support Scheme in Singapore and Wage Support Programme in Malaysia, amounting to a total of $75,885 (FY2019: Nil), which was recognised as other gains in the profit or loss statement. These temporary schemes were introduced to help enterprises retain employees.

7. Finance costs

	Group	
	2020	2019
	$	$
Interest expense	7,008	11,467

8. Administrative and operating expenses

The major component includes employee benefits expenses as follows:

	Group	
	2020	2019
	$	$
Salaries and wages	281,800	2,517,763
Contributions to defined contribution plan	2,629,939	288,857
Other benefits	70,108	75,919
Total employee benefits expense	2,981,847	2,882,539

9. Income tax

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

	Group	
	2020	2019
	$	$
Current tax expense:		
Current tax expense	129,874	93,623
Under (Over) adjustments in respect of prior periods	10,097	(2,796)
Subtotal	139,971	90,827
Deferred tax income:		
Deferred tax income	(44,780)	(385)
Over adjustments in respect of prior periods	(3,523)	(1,400)
Subtotal	(48,303)	(1,785)
Total income tax expense	91,668	89,042

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% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	$	$
Profit (Loss) before tax	141,230	(145,615)
Share of loss (profit) from joint venture or equity-accounted associates	10,785	(87,708)
	152,015	(233,323)
Income tax expense (income) at the above rate	25,843	(39,665)
Effect of different tax rates in foreign jurisdictions	(4,295)	13,482
Income not subject to tax	(21,023)	(17,617)
Expenses not deductible for tax purposes	44,300	68,344
Deferred tax assets not recognised	(4,775)	38,520
Partial income tax exemption	–	(2,622)
Under (Over) adjustments to tax in respect of prior periods	6,574	(4,196)
Withholding tax	28,599	28,625
Other	16,445	4,171
Total income tax expense	91,668	89,042

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

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9. Income tax (continued)

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

	Group	
	2020	2019
	$	$
Deferred tax assets not recognised	(4,775)	38,520
Tax loss carryforwards	22,313	(46,866)
Excess of net book value of plant and equipment over tax values	(11,638)	–
Excess of tax values over net book value of plant and equipment	–	6,171
Deferred tax from share-based payments	38,760	–
Exchange differences on translating foreign operations	3,643	3,960
Net balance	48,303	1,785

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

	Group	
	2020	2019
	$	$
Deferred tax assets not recognized	(1,980,718)	(1,975,943)
Deferred tax from share-based payments	–	(38,760)
Tax loss carryforwards	1,987,198	1,964,885
Excess of net book value of plant and equipment over tax values	30,283	41,921
Exchange differences on translating foreign operations	4,741	1,155
Net balance	41,504	(6,742)
Presented in statement of financial position as:		
Deferred tax assets	41,504	691
Deferred tax liabilities	–	(7,433)
	41,504	(6,742)

Deferred tax assets in respect of certain tax losses 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. Profit (Loss) per share

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

	2020	2019
	$	$
A. Numerator: profit (loss) attributable to equity:		
Continuing operations:		
Total basic and diluted profit (loss) attributable to owners of the parent	1,772	(319,880)
B. Denominator: weighted average number of equity shares		
Basic and diluted	262,500,000	262,500,000

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

The profit (loss) per share 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 profit (loss) per share from continuing operations.

11. Plant and equipment

	Computer Equipment	Furniture and fittings	Office and production equipment	Motor vehicles	Renovation	Right-of use assets	Total
	$	$	$	$	$	$	$
Group							
Cost:							
At 1 January 2019	322,984	113,919	68,527	128,809	74,556	–	708,795
Recognition of right-of-use assets on initial application of FRS 116	–	–	–	–	–	212,443	212,443
Adjusted balance at 1 January 2019	322,984	113,919	68,527	128,809	74,556	212,443	921,238
Foreign exchange adjustments	520	743	(108)	(234)	322	–	1,243
Additions	14,281	23,317	12,030	–	78,459	–	128,087
Addition of right-of-use assets	–	–	–	–	–	94,545	94,545
Disposals	(4,363)	(5,426)	(2,866)	–	–	–	(12,655)
Written off	–	–	–	–	(11,183)	–	(11,183)
Disposals of subsidiaries	(42,435)	(47,344)	–	–	(12,143)	–	(101,922)
At 31 December 2019	290,987	85,209	77,583	128,575	130,011	306,988	1,019,353
Additions	16,760	7,490	2,658	–	47,804	56,125	130,837
Foreign exchange adjustments	1,257	931	47	82	635	6,918	9,870
Disposals	–	(18,555)	(12,638)	–	–	–	(31,193)
Written off	(26,271)	(1,829)	–	–	(31,180)	(72,444)	(131,724)
At 31 December 2020	282,733	73,246	67,650	128,657	147,270	297,587	997,143

11. Plant and equipment (continued)

	Computer Equipment	Furniture and fittings	Office and production equipment	Motor vehicles	Renovation	Right-of use assets	Total
	$	$	$	$	$	$	$
Group (continued)							
Accumulated depreciation:							
At 1 January 2019	241,206	75,641	35,691	82,469	26,603	–	461,610
Recognition of right-of-use assets on initial application of FRS 116	–	–	–	–	–	–	–
Adjusted balance at 1 January 2019	241,206	75,641	35,691	82,469	26,603	–	461,610
Depreciation for the year	34,234	12,386	13,059	25,723	16,096	110,750	212,248
Foreign exchange adjustments	386	683	(57)	(159)	292	550	1,695
Disposals	(2,822)	(3,276)	(1,106)	–	–	–	(7,204)
Written off	–	–	–	–	(4,356)	–	(4,356)
Disposals of subsidiaries	(36,496)	(42,807)	–	–	(12,143)	–	(91,446)
At 31 December 2019	236,508	42,627	47,587	108,033	26,492	111,300	572,547
Foreign exchange adjustments	808	550	29	97	537	1,923	3,944
Depreciation for the year	27,831	8,855	11,235	10,533	21,227	106,697	186,378
Disposals	–	(14,652)	(10,306)	–	–	–	(24,958)
Written off	(26,271)	(1,523)	–	–	(20,644)	(72,301)	(120,739)
At 31 December 2020	238,876	35,857	48,545	118,663	27,612	147,619	617,172
Carrying value:							
At 1 January 2019	81,778	38,278	32,836	46,340	47,953	–	247,185
At 31 December 2019	54,479	42,582	29,996	20,542	103,519	195,688	446,806
At 31 December 2020	43,857	37,389	19,105	9,994	119,658	149,968	379,971

11A. Right-to-use assets

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance, and maintenance fees on right-of-use assets are usually required under the lease contracts.

Also see Note 23.

12. Intangible assets

	Group	
	2020	2019
	$	$
Goodwill (Note 12A)	88,240	74,974

12A. Goodwill

	Group	
	2020	2019
	$	$
Cost:		
Balance at beginning of the year	74,974	74,974
Arising from acquisition of subsidiary (Note 25)	13,266	–
Balance at end of the year	88,240	74,974

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

The goodwill arose from the Group's acquisition of Nuffnang Live Commerce Sdn Bhd ("Nuffnang Live") during the reporting year and Plata and Punta Sdn Bhd ("Plata and Punta") in 2017. Due to the close proximity of the date of acquisition of Nuffnang Live at 27 November 2020 to the reporting year end, it was not deemed necessary to perform a test for impairment of goodwill arising from this acquisition.

The goodwill arising from the acquisition of Plata and Punta 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 ("CGU") exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value in use.

The value in use was measured by management. 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:

	Inputs	
	2020	2019
CGU - Performance Marketing Agency 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	11%	11%
Growth rate in FY2020 (2019: FY2019) based on cashflow projections by management	36%	-30%
Growth rates in FY2021 and FY2022 (2019: FY2020 and FY2021) based on industry growth forecast	2%	2%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	3 years	3 years

12. Intangible assets (continued)

12A. Goodwill (continued)

Actual outcomes could vary from above estimates. The recoverable amount has been measured based on the value in use method and it is shown above. If the assumptions had been less favourable than management's estimates at the end of the reporting year by the following rates the recoverable amount would be equal to the carrying amount:

	2020	2019
Discounted cash flow method:		
Revenue growth in FY2022 and FY2023 (2019: FY2021 and FY2022)	-1%	-1%
Long-term growth rate for the relevant markets	>-100%	-23%
Discount rates using pre-tax rates	>100%	25%

No impairment allowance was recognised because the carrying amount of Plata and Punta Sdn Bhd was lower than its recoverable amount.

13. Investments in subsidiaries

	Company	
	2020	2019
	$	$
Movements during the year. At cost:		
Balance at beginning of the year	218,719	375,883
Acquisitions	63,232	–
Disposals	–	(157,164)
Cost at end of the year	281,951	218,719
Carrying value in the books of the Company comprising:		
Unquoted equity shares at cost	1,130,706	1,067,474
Quasi-equity loan	202,649	202,649
Allowance for impairment	(1,051,404)	(1,051,404)
Total at cost	281,951	218,719
Net book value of subsidiaries	(1,085,767)	(731,234)

13. Investments in subsidiaries (continued)

Analysis of above amount denominated in non–functional currencies:

	2020	2019
	$	$
Hong Kong Dollars	148,755	148,755
Malaysian Ringgit	594,757	531,525
New Taiwan Dollars	223,605	223,605

Movement in allowance for impairment:		
Balance at beginning of the year	1,051,404	1,329,842
Impairment allowance written off	–	(278,438)
Balance at end of the year	1,051,404	1,051,404

The decreasing performance of the subsidiaries were considered sufficient evidence to trigger an impairment assessment. An impairment loss amounting to $Nil (2019: $Nil) was charged to profit and loss during the reporting year.

The subsidiaries held by the Company and the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations, principal activities and independent auditors	Cost in books of Company		Effective percentage of equity held by Group	
	2020	2019	2020	2019
	$	$	%	%
Held by the Company				
Nom Nom Media Sdn. Bhd. (2) Malaysia Sales agent for advertising services (RSM Malaysia)	11,986	11,986	100	100
Churp Churp Media Sdn. Bhd. (2) Malaysia Provision of online advertising and management services (RSM Malaysia)	1	1	100	100
Netcentric Sdn. Bhd. (2), Malaysia Internet advertising (RSM Malaysia)	12,207	12,207	100	100
Nuffnang Sdn. Bhd. (2) Malaysia Provision of online advertising and management services (RSM Malaysia)	319,213	319,213	100	100

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, principal activities and independent auditors	Cost in books of Company		Effective percentage of equity held by Group	
	2020	2019	2020	2019
	$	$	%	%
Held by the Company (continued)				
Nuffnang Pte. Ltd. [1] Singapore Provision of online advertising and management services (RSM Chio Lim LLP)	335,639	335,639	100	100
Churp Churp Pte. Ltd. [1] Singapore Provision of online advertising and management services (RSM Chio Lim LLP)	1	1	100	100
Sashimi Private Limited [1] Singapore Social media agency (RSM Chio Lim LLP)	30,600	30,600	51	51
Nuffnang- ECpod Holding Limited [3] Hong Kong Provision of online advertising and management (Cheer Link CPA Limited)	148,755	148,755	100	100
Nuffnang Taiwan Limited [2] Taiwan Provision of online advertising and management (RSM Taiwan)	223,605	223,605	100	100
Plata and Punta Sdn Bhd [3] Manufacture and construct advertising devices (Ahmad Abdullah & Goh)	188,082	188,082	51	51
Dejitaru Sdn Bhd [3] Provision of online advertising and management (Ahmad Abdullah & Goh)	34	34	51	51

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, principal activities and independent auditors	Cost in books of Company		Effective percentage of equity held by Group	
	2020	2019	2020	2019
	$	$	%	%
Held by the Company (continued)				
Nuffnang Live Commerce Sdn Bhd (2) Operate a live streaming e-commerce business platform (RSM Malaysia)	63,232	-	57	-
Held by the Subsidiaries				
Sashimi Social Sdn Bhd (2) Malaysia Social media agency (RSM Malaysia)	11,929	11,929	100	100
Nuffnang China Limited (3) Hong Kong Internet advertising (Cheer Link CPA Limited)	176,569	176,569	52	52
Nuffnang (Beijing) Consulting Co Ltd (3) Internet advertising China (Beijing Yongqin CPA Co Ltd)	310,247	310,247	100	100

(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.

13. Investments in subsidiaries (continued)

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

The summarised financial information of the subsidiaries with non-controlling interests that are material to the Group after elimination of relevant intercompany transactions but not adjusted for the percentage ownership held by the Group is, as follows:

	Plata and Punta Sdn Bhd		Sashimi Private Limited	
	2020	2019	2020	2019
	$	$	$	$
Profit allocated to non-controlling interests of subsidiaries during the year	27,835	34,600	21,281	24,000
Accumulated non-controlling interests of subsidiaries at the end of the reporting year	120,598	184,773	405,939	384,186

Summarised statement of financial position

	Plata and Punta Sdn Bhd		Sashimi Private Limited	
	2020	2019	2020	2019
	$	$	$	$
Non–current assets	13,485	27,971	195,882	230,054
Current assets	662,458	556,028	1,167,068	761,946
Total assets	675,943	583,999	1,362,950	992,000
Current liabilities	(228,393)	(179,356)	(532,992)	(170,043)
Non-current liabilities	(201,432)	(27,554)	(1,512)	(37,904)
Total liabilities	(429,825)	(206,910)	(534,504)	(207,947)
Net assets	246,118	377,089	828,446	784,053

Summarised statement of comprehensive income

	Plata and Punta Sdn Bhd		Sashimi Private Limited	
	2020	2019	2020	2019
	$	$	$	$
Revenue	1,433,051	937,290	1,639,701	1,292,949
Profit before income tax	82,169	110,805	52,131	55,241
Income tax expense	(25,362)	(40,195)	(8,700)	(6,262)
Total comprehensive income for the year	56,807	70,610	43,431	48,979

13. Investments in subsidiaries (continued)

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

Summarised statement of cash flow

	Plata and Punta Sdn Bhd		Sashimi Private Limited	
	2020	2019	2020	2019
	$	$	$	$
Net cash inflow (outflow) from operating activities	145,335	(112,235)	283,456	147,779
Net cash outflow from investing activities	(1,498)	(3,436)	(4,005)	(118,164)
Net cash (outflow) inflow from financing activities	(49,469)	67,886	(58,153)	(34,388)
Net increase (decrease) in cash and cash equivalents	94,368	(47,785)	221,298	(4,773)
Cash and cash equivalents at beginning of reporting year	231,228	279,013	565,856	570,629
Cash and cash equivalent at the end of the reporting year	325,596	231,228	787,154	565,856

14. Investments in associates

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Movements in carrying value:				
Balance at beginning of the year	154,591	83,461	16,932	16,932
Dividend income received	–	(16,578)	–	–
Share of the (loss) profit for the year	–	87,708	–	–
Total at end of the year	154,591	154,591	16,932	16,932
Carrying value comprising:				
Unquoted equity share at cost	16,932	16,932	16,932	16,932
Share of profits, net of dividends received	137,659	137,659	–	–
	154,591	154,591	16,932	16,932
Share of net book value of associate	154,591	154,591	154,591	154,591

14. Investments in associates (continued)

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

Name of associate, country of incorporation, place of operations, principal activities and independent auditors	Cost in books of Group		Effective percentage of equity held by Group	
	2020	2019	2020	2019
	$	$	%	%
Nuffnang Philippines Inc. (1)(2)	16,932	16,932	40	40
Marketing of internet placements (Sycip Gorres Velayo & Co.)				

(1) 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.

(2) Entity is in the process of being struck off.

This associate is considered not material to the reporting entity. The summarised financial information of the associate and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associate is as follows.

	Group	
	2020	2019
	$	$
Profit (loss) from continuing operations	-	219,270
Net assets of the associates	386,478	386,478

15. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Trade receivables:				
Outside parties	2,113,655	1,750,253	300	141,766
Less allowance for impairment	(17,289)	(24,000)	–	–
Subsidiaries	–	–	1,751,945	1,482,856
Less allowance for impairment	–	–	(1,571,940)	(1,344,712)
Net trade receivables – subtotal	2,096,366	1,726,253	180,305	279,910
Other receivables:				
Outside parties	32,689	27,045	–	–
Less allowance for impairment	(15)	–	–	–
Shareholder (Note 3)	–	992	–	992
Subsidiaries (Note 3)	–	–	1,160,672	1,177,945
Less allowance for impairment	–	–	(1,073,488)	(990,051)
Tax recoverable	90,556	116,715	–	–
Net other receivables - subtotal	123,230	144,752	87,184	188,886
Total trade and other receivables	2,219,596	1,871,005	267,489	468,796

15. Trade and other receivables (continued)

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Movements in above allowance:				
Balance at beginning of the year	24,000	143,018	2,334,763	3,767,734
Charge (reversals) for trade receivables to profit or loss included in other losses (Note 6)	17,289	(73,344)	227,228	181,982
Charge for other receivables to profit or loss included in other losses (Note 6)	15	–	83,437	90,033
Disposals of subsidiaries	–	(45,674)	–	–
Bad debts written off against allowance	–	–	–	(1,704,986)
Used	(24,000)	–	–	–
Balance at end of the year	17,304	24,000	2,645,428	2,334,763

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The loss allowance was determined as follows for trade receivables:

	Group			
	Gross amount		Loss allowance	
	2020	2019	2020	2019
	$	$	$	$
Trade receivables:				
Current	1,356,365	1,031,650	–	–
Past due less than three months	415,120	525,097	–	–
Past due three to six months	238,414	79,928	–	–
Past due over six months	103,756	113,578	17,289	24,000
Total	2,113,655	1,750,253	17,289	24,000

15. Trade and other receivables (continued)

	Company			
	Gross amount		Loss allowance	
	2020	2019	2020	2019
	$	$	$	$
Trade receivables:				
Current	266,447	370,569	254,497	207,206
Past due less than three months	–	–	–	–
Past due three to six months	–	–	–	–
Past due over six months	1,485,798	1,254,053	1,317,443	1,137,506
Total	1,752,245	1,624,622	1,571,940	1,344,712

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

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 (2019: 30 to 60 days). But some customers take a longer period to settle the amounts.

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

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Top 1 customer	313,867	240,571	887,250	888,667
Top 2 customers	554,584	434,069	1,514,127	1,261,642
Top 3 customers	718,392	549,714	1,630,689	1,367,719

The other receivables at amortised cost shown above are also subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. Related company other receivables are regarded as of low credit risk if they are guaranteed by the parent or a related company with the ability to settle the amount. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

16. Other assets

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Contract assets (Note 16A)	25,095	10,729	–	–
Prepayments	50,560	45,735	18,271	10,611
Deposits to secure services	45,072	72,384	1,800	1,800
	120,727	128,848	20,071	12,411

16A. Contract assets

	2020	2019
	$	$
The amount is made up of:		
Consideration for work completed but not billed at the reporting date	25,095	10,729
The movements in contract assets are as follows:		
At beginning of the year	10,729	54,617
Cost incurred during the year on completed contracts	25,095	10,729
Transfers to trade receivables	(10,729)	(54,617)
At end of the year	25,095	10,729
The aggregate amount of the transaction price allocated to the performance obligations that are satisfied but not billed at the end of the reporting year: Expected to be recognised as revenue within 1 year	25,095	10,729

The contract assets are for: entity's rights to consideration for work completed but not billed at the reporting date on the contracts; costs incurred to obtain or fulfil a contract with a customer; costs to obtain contracts with customers; pre-contract costs and setup costs; and the amount of amortisation and any impairment losses recognised in the reporting year. The contract assets are transferred to the receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for which transfer of control occurs, and therefore revenue is recognised (Note 22). The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

Contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. No loss allowance was necessary as at the end of the reporting year.

17. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Not restricted in use	3,376,785	3,135,870	1,215,827	1,399,128

The interest earning balances are not significant.

17A. Reconciliation of liabilities arising from financing activities:

The Group does not have any external borrowings except for finance leases that are not significant (Note 23). Movements in amounts due to related parties are disclosed in Note 3C.

18. Share capital

	Number of shares issued	Share capital
		$
Group and Company		
Ordinary shares of no par value:		
Balance at 1 January 2019, 31 December 2019 and at 31 December 2020	262,500,000	13,797,086

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. Share option reserve

	Group and Company	
	2020	2019
	$	$
Balance at beginning of the year	228,000	228,000
Expiry of share options -transferred to retained earnings	(228,000)	–
Balance at end of the year	–	228,000

19. Share option reserve (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 options had an exercise price of AU$0.22 and expired 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 was 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 took 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 AU$Nil (2019: AU$Nil).

20. Foreign currency translation reserve

	Group	
	2020	2019
	$	$
Balance at beginning of the year	(392,465)	(417,892)
Exchange differences on translating foreign operations	34,184	13,801
Disposal of subsidiaries	–	11,626
Balance at end of the year	(358,281)	(392,465)

21. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Trade payables:				
Outside parties and accrued liabilities	1,133,778	999,496	68,734	67,192
Subsidiaries	–	–	167,296	226,704
Trade payables – subtotal	1,133,778	999,496	236,030	293,896
Other payables:				
Outside parties	154,337	176,262	–	–
Directors (Note 3)	–	50,909	–	–
Related parties (Note 3)	946	961	–	–
Shareholders (Note 3)	–	1,059	–	–
Subsidiaries (Note 3)	–	–	275,732	280,804
Other payables - subtotal	155,283	229,191	275,732	280,804
Total trade and other payables	1,289,061	1,228,687	511,762	574,700

22. Other liabilities

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Contract liabilities (Note 22A)	461,495	25,696	–	–

22A. Contract liabilities

	2020	2019
	$	$
The amount is made up of:		
Advance consideration received from customers	461,495	25,696
The movements in contract liabilities are as follows:		
At beginning of the year	25,696	69,435
Consideration received or receivable	461,495	25,696
Performance obligation satisfied - revenue recognised	(25,696)	(69,435)
At end of the year	461,495	25,696
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year: Expected to be recognised within 1 year	461,495	25,696

23. Lease liabilities

The right-of-use assets are included in plant and equipment and disclosed in Note 11 and 11A.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2020	2019
	$	$
Lease liabilities:		
Lease liabilities, current	98,710	115,530
Lease liabilities, non-current	73,339	115,555
	172,049	231,085

23. Lease liabilities (continued)

Movements of lease liabilities for the reporting year are as follows:

	Group
	2020
	$
Total lease liabilities recognised at 1 January 2019 on adoption of FRS 116	259,175
Operating lease entered into during the year	94,545
Accretion of interest	9,077
Lease payments – principal portion paid	(115,839)
Interest paid	(9,077)
Foreign exchange adjustments	(6,796)
Total lease liabilities at 31 December 2019	231,085
Accretion of interest	5,424
Lease payments – principal portion paid	(59,036)
Interest paid	(5,424)
Total lease liabilities at 31 December 2020	172,049

The weighted average incremental borrowing rate is 3.01% (2019: 5.67%) per annum recognised.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments	Finance charges	Present value
	$	$	$
2020			
Minimum lease payments payable:			
Due within one year	102,760	(4,050)	98,710
Due within two to five years	74,392	(1,053)	73,339
Total	177,152	(5,103)	172,049

	Minimum payments	Finance charges	Present value
	$	$	$
2019			
Minimum lease payments payable:			
Due within one year	122,030	(6,500)	115,530
Due within two to five years	118,135	(2,580)	115,555
Total	240,165	(9,080)	231,085

23. Lease liabilities (continued)

Other disclosures on leases:

	2020	2019
	$	$
Expense relating to short-term leases included in other expenses	15,017	37,171
Total commitments on short-term leases at year end date	–	18,153

24. Financial Instruments: Information on financial risks

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

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Financial assets:				
Financial assets at amortised cost	5,505,825	4,890,160	1,483,316	1,867,924
Financial liabilities:				
Financial liabilities at amortised cost	1,461,110	1,459,772	511,762	574,700

Further quantitative disclosures are included throughout these financial statements.

24A. 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.

24B. 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.

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

24C. 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. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year.

Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 17 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

24D. Liquidity risk - financial liabilities maturity analysis

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 settled at their contractual maturity. There are no liabilities other than lease liabilities contracted to fall due after twelve months at the end of the reporting year. 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 settled at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2019: 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.

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

24D. Liquidity risk - financial liabilities maturity analysis (continued)

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
	$	$	$
Non-derivative financial liabilities:			
Group			
2020:			
Gross finance lease obligations	102,760	74,392	177,152
Trade and other payables	1,289,061	–	1,289,061
At end of the year	1,391,821	74,392	1,466,213
2019:			
Gross finance lease obligations	122,030	118,135	240,165
Trade and other payables	1,228,687	–	1,228,687
At end of the year	1,350,717	118,135	1,468,852
Non-derivative financial liabilities:			
Company			
2020:			
Trade and other payables	511,762	–	511,762
At end of the year	511,762	–	511,762
2019:			
Trade and other payables	574,700	–	574,700
At end of the year	574,700	–	574,700

24E. 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.

24F. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

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

24F. Foreign currency risks (continued)

Analysis of significant amounts denominated in non-functional currencies:

	Australian Dollars	Great British Pounds	United States Dollars	Total
	$	$	$	$
Group				
2020:				
Financial assets:				
Cash and cash equivalents	684,549	146,012	349,232	1,179,793
Total financial assets	684,549	146,012	349,232	1,179,793
2019:				
Financial assets:				
Cash and cash equivalents	831,269	143,897	355,624	1,330,790
Total financial assets	831,269	143,897	355,624	1,330,790

	Australian Dollars	Great British Pounds	Malaysian Ringgit	United States Dollars	Others	Total
	$	$	$	$	$	$
Company						
2020:						
Financial assets:						
Cash and cash equivalents	684,549	146,012	–	349,232	–	1,179,793
Loans and receivables	–	–	–	–	135,610	135,610
Total financial assets	684,549	146,012	–	349,232	135,610	1,315,403
Financial liabilities:						
Trade and other payables	16,133	–	440,269	6,331	–	462,733
Total financial liabilities	16,133	–	440,269	6,331	–	462,733
Net financial assets (liabilities) at end of the year	668,416	146,012	(440,269)	342,901	135,610	852,670

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

24F. Foreign currency risks (continued)

	Australian Dollars	Great British Pounds	Malaysian Ringgit	United States Dollars	Others	Total
	$	$	$	$	$	$
Company						
2019:						
Financial assets:						
Cash and cash equivalents	831,269	143,897	–	355,624	–	1,330,790
Loans and receivables	–	–	202,486	4,202	124,451	331,139
Total financial assets	831,269	143,897	202,486	359,826	124,451	1,661,929
Financial liabilities:						
Trade and other payables	13,074	–	501,106	2,335	–	516,515
Total financial liabilities	13,074	–	501,106	2,335	–	516,515
Net financial assets (liabilities) at end of the year	818,195	143,897	(298,620)	357,491	124,451	1,145,414

Sensitivity analysis:

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
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	(20,536)	(24,938)	(20,052)	(24,546)
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	(2,920)	(2,878)	(2,920)	(2,878)
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	(10,477)	(10,669)	(10,287)	(10,725)
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	8,805	5,972
A hypothetical 1% strengthening in the exchange rate of the functional currency $ against Others with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	NA	NA	(1,356)	(1,245)

The above table shows sensitivity to a hypothetical percentage variation in the functional currencies of the Group's companies 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 currencies against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on the profit or loss.

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

24F. Foreign currency risks (continued)

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 entities within the Group have significant exposure at end of reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

25. Acquisition of subsidiaries

On 24 July 2020, the Company acquired a 40% shareholding in Nuffnang Live Commerce Sdn Bhd for $67,813 by way of a joint venture agreement with two other parties. The investment was classified as a joint venture on that date.

Subsequently, on 27 November 2020, the Company acquired control through a further 17.14% shareholding of Nuffnang Live Commerce Sdn Bhd by way of an agreement to purchase a part of the shares held by one of the other shareholders, bringing the Company's total shareholding to 57.14% on 27 November 2020. Accordingly, the joint venture was derecognized on that date, and the transaction was accounted for by the acquisition method of accounting.

25A. Investment in joint venture

	Group	
	2020	2019
	$	$
Movements during the year. At cost:		
Balance at beginning of the year	–	–
Addition	67,813	–
Share of loss of joint venture for 24 July 2020 to 27 November 2020	(10,785)	–
Loss on reclassification of joint venture	(22,050)	–
Fair value of joint venture transferred to subsidiary	(34,978)	–
Balance at end of the year	–	–

25B. Acquisition accounting on step-up of interest

The consideration transferred was as follows:

	2020
	$
Consideration transferred:	
Cash paid	28,254
Total consideration transferred	28,254

Management has finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition.

25. Acquisition of subsidiaries (continued)

25B. Acquisition accounting on step-up of interest (continued)

	Total
	$
Trade and other receivables	2,711
Cash and bank balances	98,104
Trade and other payables	(13,371)
Net identifiable assets	87,444
Non-controlling interests at fair value	(37,478)
Previously held interests at fair value	(34,978)
Goodwill arising from consolidation	13,266
Purchase consideration	28,254
Cash and bank balances acquired	(98,104)
Net cash inflow from acquisition of subsidiary	(69,850)

The non-controlling interests in the subsidiary as at the date of acquisition was measured based on the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

The goodwill arising on acquisition of above subsidiary is attributable to the anticipated profitability of the acquired subsidiary and the anticipated future operating synergies from the combination.

26. Strike-off and disposal of subsidiaries

Strike off in 2019

The following subsidiaries were struck off as follows:

	Date control lost
Subsidiaries:	
Reelity TV Private Limited	4 June 2019
FTW Tech Pte Ltd	4 September 2019
Sashimi SG Pte Ltd	4 September 2019
Nom Nom Media Private Limited	4 November 2019

The loss on strike off for the reporting year from the strike off of the subsidiaries is as follows:

	2019
	$
Total consideration	–
Add: Non-controlling interests	(33,660)
Net loss on disposal	(33,660)

26. Strike-off and disposal of subsidiaries (continued)

Disposals in 2019

The following subsidiaries were disposed as follows:

	Date control lost
Subsidiaries:	
Nuffnang (Thailand) Co., Ltd	1 April 2019
PT Nuffnang Indonesia Internasional	9 September 2019

The loss on disposal of the subsidiaries is as follows:

	2019
	$
Disposal of subsidiaries:	
Total consideration	2
Add: Non-controlling interests	228,038
Less: Net assets	(235,288)
Less: Translation reserve	(11,626)
Net loss on disposal	(18,874)
Net cash outflow on disposal:	
Cash consideration	2
Cash balance disposed of	(232,449)
Net cash outflow	(232,447)

Subsequent to the disposal of PT Nuffnang Indonesia Internasional, cash amounting to S$141,461 was received by the Company from PT Nuffnang Indonesia Internasional as return of capital on 2 January 2020.

27. Contingent liabilities

	2020	2019
	$	$
Undertaking to support subsidiaries with deficits	3,933,129	3,616,900

28. Events after the end of the reporting year

a) On 25 February 2021, the Company raised AU$3.05 (before costs) million through placement of Chess Depository Interests (CDIs) to sophisticated and professional investors to accelerate organic and inorganic growth initiatives. The Company issued 19.7 million CDIs at AU$0.15 per CDI with 13.15 million free unlisted options with an exercise price of AU$0.18 and an expiry date of 1 September 2023.

The placement is done in two tranches, (1) approximately 19,725,000 CDIs was issued on 3 March 2021 and, (2) the balance of 666,666 CDIs, representing Directors' participation in the placement, are to be issued following shareholder approval at the company's annual general meeting, which is expected to be held during the month of May 2021.

Additional 6.5 million of options will be issued to Peak Asset Management as partial consideration of professional fees rendered to the placement. The share options have an exercise price of AU$0.18, expiring on 1 September 2023. Total share options granted through the placement is AU$3.35 million.

b) On 10 March 2021, the Company announced the launch of Employee Share Ownership Offer under its Employee Securities Incentive Plan. Key employees in Malaysia and Taiwan will qualify to earn unlisted options to buy the Company's shares. Exercise of these options will be settled by way of transfer of CDIs from Executive Chairman Ganesh Kumar Bangah's own securityholding in the Company. CDIs will be transferred on a 1 CDI for each exercised option basis and the exercise proceeds will be paid to Ganesh.

Options will vest in six equal tranches over three years (50% tenure-based and 50% KPI-based). The maximum number of options to be given to key employees is 12 million.

The Company proposed to issue similar options to its Non-Executive Directors following shareholder approval in the coming annual general meeting. These options will vest in three tranches over three years, based on tenure. The maximum number of options expected to be issued is 2.475 million.

29. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1 and 8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
FRS 116	Covid-19-Related Rent Concessions – Amendments to

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

For the future reporting years certain new or revised financial reporting standards 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 any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

30. New or amended standards in issue but not yet effective (continued)

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Presentation of Financial Statements- *amendment relating to* Classification of Liabilities as Current or Non-current	1 January 2023
FRS 103	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 January 2022
FRS 116	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 January 2022
FRS 109	Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
FRS 110 and FRS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet
Various	Annual Improvements to FRSs 2018-2020	1 January 2022

13. ADDITIONAL INFORMATION

The securityholder information set out below was applicable as at 17 March 2021.

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

Size of Holding	Number of Holders of Ordinary Securities	Number of Ordinary Securities	% of Issued Ordinary Securities	Numbers of Holders of Options	Number of Options	% of Issued Options
above 0 up to and including 1,000	59	2,129	0.00%	0	0	0.00%
above 1,000 up to and including 5,000	94	312,239	0.11%	0	0	0.00%
above 5,000 up to and including 10,000	81	735,115	0.26%	7	62,664	0.32%
above 10,000 up to and including 100,000	204	8,170,748	2.90%	84	3,927,338	19.99%
above 100,000	106	273,004,769	96.73%	53	15,659,998	79.69%
Total	544	282,225,000	100.00%	144	19,650,000	100.00%
Unmarketable Parcels	72					

SUBSTANTIAL HOLDERS

The substantial holder in the Company is set out below:

Name of Holder	Ordinary Shares Hold
Ganesh Kumar Bangah	220,915,517 [1]

[1] Held under nominee account HSBC Custody Nominees (Australia) Limited

Voting rights

The Company has the following securities on issue: (i) CHESS Depository Interests ("CDI") and (ii) unlisted options. The unlisted options do not have voting rights. The voting rights attached to the CDI's are set out below:

As CDI holders are not the legal owners of underlying Shares, CHESS Depositary Nominees ("CDN"), which holds legal titles to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI holders on a poll, not on a show of hands. CDI holders are entitled to give instructions for one vote for every underlying Share held by CDN. Any notice of meeting issued to CDI holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's instructions.

Listing Rules 3.13.1 and 14.3

In accordance with Listing Rule 3. 13. 1 and Listing Rule 14. 3, the annual general meeting ("AGM") of Netccentric Limited is scheduled for 27 May 2021.

Nominations for election of directors at the AGM must be received not less than 30 business days before the date of the AGM, being no later than 15 April 2021.

EQUITY SECURITY HOLDERS

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	126,927,522	44.97%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	96,466,461	34.18%
3	CITICORP NOMINEES PTY LIMITED	8,832,514	3.13%
4	BNP PARIBAS NOMS PTY LTD <DRP>	5,554,863	1.97%
5	TASEC NOMINEES (TEMPATAN) SDN BHD	2,650,000	0.94%
6	TASEC NOMINEES (ASING) SDN BHD	2,300,000	0.82%
7	HUI WEN YANG	1,925,103	0.68%
8	MR YULIANG FAN	1,300,000	0.46%
9	MR ROBERT GERARD STARCEVICH <STARCEVICH FAMILY A/C>	1,099,331	0.39%
10	MS SOO WAH TAN	1,020,000	0.36%
11	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	933,091	0.33%
12	MR NHAN PHAM	835,000	0.30%
13	MR MATTHEW REGOS & MRS SILVIA LISA REGOS <REGOS FAMILY SUPER A/C>	833,333	0.30%
14	COMSEC NOMINEES PTY LIMITED	677,475	0.24%
15	MS YEAP JING CHING	666,667	0.24%
16	TAN TIAN SIN	666,667	0.24%
17	SANGEETA KAUR SIDHU	666,667	0.24%
18	MR MARK ANTHONY BROGLIO	625,000	0.22%
19	MR MIGUEL RONALD SANDERS	535,250	0.19%
20	MS SOO KIAN TAN	500,000	0.18%
	Total	**255,014,944**	**90.36%**
	Balance of register	**27,210,056**	**9.64%**
	Grand total	**282,225,000**	**100.00%**

UNQUOTED EQUITY SECURITY HOLDERS

The Company has 19,650,000 unlisted options on issue. 10 Bolivianos Pty Ltd holds 6,238,152 options representing 31.75% of the total options on issue.

ON-MARKET BUY-BACK

There is currently no on-market buy-back.

Netccentric Limited

Registration No: 200612086W

For more information please visit:

NETCCENTRIC.COM