



**Netccentric Limited** (200612086W)

Listed on the ASX

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## ASX AND MEDIA RELEASE

30 August 2017

### HALF YEAR UPDATE-ADDITIONAL COMMENTARY

**Netccentric Limited** (ASX: NCL) is pleased to report the Company's half-year results for the period ended 30 June 2017.

#### Summary Results (\$SGD m)

	H1 2017	H1 2016
Revenue – six months to 30 June	5.5	6.2
Operating Loss attributable to owners of NCL- six months to 30 June	(1.4)	(2.5)
Cash Balance at 30 June	6.2	10.9
Cash From (Used) in Operating Activities – six months to 30 June	(1.4)	(2.3)

As noted in the Directors' Report, the decrease in revenue was largely due to a one-off partnership deal with Flexiroam Asia Limited during H1 2016.

Notwithstanding the reduction in revenue, there was a \$0.9m reduction in cash used in operating activities.





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### **Cost savings momentum**

During H1 2017, NCL has effectively shifted most of its regional resources from Singapore to Malaysia as part of a centralisation exercise to reduce expenditure. NCL has also devised and executed more cost-effective marketing strategies to further reduce overhead expenditure.

### **Scaling down loss-making business entities is underway**

During H2 2017, the following actions are in progress with the objective of streamlining the Group's offerings:

- Disposing of interests in AroiMakMak Pte Ltd and Ripplewerkz Pte Ltd;
- Downsizing the Nuffnang Singapore team;
- Mothballing Churp Churp Pte Ltd, Nom Nom Media Pte Ltd and FTW Tech Pte Ltd in Singapore;
- Striking off Sashimi SG Pte Ltd & ReelityTV Pte Ltd in Singapore; and
- Discontinuing operations in China and Hong Kong after seeing through all on-going projects.

In addition to staff savings, overall group operational requirements are being reduced. The objective is an immediate reduction in monthly operating expenses of approximately 50%.

### **Emphasis on profitable business entities**

NCL has renewed its focus on profitable business entities (such as Sashimi, ReelityTV Malaysia, and Nuffnang Taiwan) and growth markets (such as Australia and Indonesia), and is currently integrating the recently acquired performance marketing agency, Plata and Punta.

### **Mr Desmond Kiu, CEO comment**

"We believe we have the right strategies in place. Our immediate focus continues to be on reducing operating losses as the new management team implements a profitable business model. I am pleased to see that the overall loss for H1 2017 has reduced significantly from the prior corresponding period. The board is confident that we have more than adequate cash reserves to allow management to successfully complete Operation Turnaround."

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If there are any queries in relation to this announcement, please contact the Company office on the above number.

Netccentric Limited is a global leader in innovation within the spectrum of social internet, mobile, and social media marketing.

