



Netccentric Limited (200612086W)

Listed on the ASX

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

www.netccentric.com

ASX RELEASE

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NCL expanding towards 'live' social commerce platform model *Establishment of Nuffnang Live Commerce enables Group to capitalise on fast-growing industry trend*

Netccentric Limited ("NCL") Group advises that as part of a progressive transformation of its existing services-based business model to a platform-centric one, it has entered into a joint venture agreement ("Agreement") with Commerce DotAsia Ventures Sdn. Bhd. ("Commerce.Asia") and Docono Holdings Sdn. Bhd. ("Docono") to operate a live streaming e-commerce business platform.

Under the Agreement, a new company called Nuffnang Live Commerce Sdn. Bhd. ("Nuffnang Live Commerce") will be established to spearhead the NCL Group's foray into live commerce through the Bid Go Live! ("BGL") platform developed by Docono, while leveraging on Commerce.Asia's e-commerce enabling ecosystem as well as NCL's brand and influencer reach.

As part of the Agreement, co-founder of Docono, Daniel Wong will be assuming the role of Chief Technology Officer at NCL where he will be spearheading the technology development and automation initiatives of the Group.

The name Nuffnang stems from NCL's wholly-owned subsidiary Nuffnang Sdn. Bhd., an established 'influencer' and content marketing company in Malaysia and throughout Southeast Asia. Today, it has one of the largest influencer community reach in Malaysia (by revenue) and has one of the most comprehensive networks of some 13,000 celebrities, personalities and content creators across all levels of society and diversity with a collective reach to more than 20 million consumers in Malaysia, Singapore and Taiwan.

NCL majority shareholder and Director Ganesh Kumar Bangah said that the Group's new direction represents a 'strategic expansion' towards a platform-based strategy that is able to capitalise on the growth of the global social influencer and social commerce industry.

"With this platform strategy, we aim to connect multiple groups – including merchants, influencers and consumers – to create positive network effects," said Ganesh.

"The beauty about this joint venture is that Nuffnang Live Commerce is set to bring forth strongly the strengths of all three shareholders into a single entity set to capitalise on a fast-growing trend in e-commerce."

Nuffnang Live Commerce: Synergy and Strengths of Strong Shareholders

The shareholding structure of Nuffnang Live Commerce will comprise NCL owning a 40% equity interest, with Commerce.Asia and Docono each having 30%.

NCL and Commerce.Asia will collectively invest MYR350,000 to form Nuffnang Live Commerce at an issue price of MYR1.00 per share. Following that development, Nuffnang Live Commerce will then acquire the intellectual property rights of the BGL platform for MYR150,000, which will be satisfied through the issuance of 150,000 shares issued at MYR1.00 per share.

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The formation of Nuffnang Live Commerce is a related-party arrangement as Ganesh is also majority shareholder and Chairman of Commerce.Asia, an end-to-end e-commerce ecosystem which enables brands and businesses to sell online.

Under his leadership, Commerce.Asia recently emerged as the Top Winner of the APAC CIO Outlook Awards for being the “Best E-commerce Consulting/Services Company in APAC 2020”¹ among the selected Top 10 companies in the Asia-Pacific region. It also has a database of 8 million small medium enterprises spread across 7 countries, coupled with 61,000 active merchants who sold more than MYR1.5 billion worth of goods in 2019.

Meanwhile, Docono is a technology developer for the BGL platform which enables the automation of live streaming sessions on popular platforms such as Facebook for e-commerce transactions.

Ganesh believes that, although the field of live commerce is still in its infancy, there stands to be tremendous growth in the years ahead.

“Live commerce represents the fusion of e-commerce and livestreaming which centres around influencers showcasing and promoting products and services to viewers,” said Ganesh.

“We expect this industry to soar in the years ahead. In 2018 alone, live commerce generated over RMB100 billion (MYR60 billion) in transactions on Taobao, Alibaba’s premier C2C ecommerce marketplace in China,” he further said, adding that for Singles Day 2019, live commerce generated RMB20 billion² (MYR12 billion).

Nuffnang Live Commerce, upon establishment, will serve as a live commerce enabler for companies looking to expand their e-commerce business.

“Integrating our influencer, content and e-commerce know-hows, we will be providing end-to-end live video commerce solutions from live video production to payment and product fulfilment,” said Ganesh.

This platform solution is API integrated with Facebook to provide seamless user interface from live streaming, automated order management, online payment and fulfilment.

“What’s more, we will also be employing artificial intelligent-based technologies to ensure automation for end-users to order and purchase.”

“Our technologies combined with our largest influencer platform and onboarding training, will then empower companies to be independent and self-sustaining as they propel and scale in this fast-growing field of live commerce,” he concluded.

This announcement was approved for release by the Netccentric Board of Directors.

For more information, please contact:

Ms Angeline Chiam
Interim Chief Executive Officer, Netccentric Limited
Email: angeline@netccentric.com

¹ apacciooutlook.com/magazines/June2020/eCommerce/

² technode.com/2019/11/13/livestreams-on-taobao-live-earn-rmb-20-billion-in-sales-on-singles-day/

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