

CAPTII LIMITED

(Incorporated in the Republic of Singapore)
(Company registration no.: 200211129W)

**Second Quarter Financial Statements and Dividend Announcement
for the Period Ended 30 June 2015**
PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Set out below are the financial statements for the second quarter ended 30 June 2015

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2015	Q2 2014	Inc/(dec)	2015	2014	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	5,383	6,262	(14.0)	10,367	11,337	(8.6)
Cost of Sales	(2,369)	(3,631)	(34.8)	(4,656)	(6,399)	(27.2)
Gross profit	3,014	2,631	14.5	5,711	4,938	15.6
Other Items of Income:						
Interest Income	67	60	10.9	133	132	0.4
Other Gains	4	2	100.0	38	67	(43.7)
Other Items of Expense:						
Technical Support Expenses	(883)	(849)	4.0	(1,748)	(1,793)	(2.5)
Distribution Costs	(565)	(590)	(4.3)	(1,065)	(1,215)	(12.4)
Administrative Expenses	(544)	(528)	3.0	(1,161)	(1,067)	8.8
Other Losses	(57)	(83)	(31.4)	(8)	(16)	(47.2)
Shared of Result from Jointly-Controlled Entity	(3)	-	100.0	(4)	-	100.0
Profit Before Income Tax	1,033	643	60.6	1,896	1,046	81.3
Income Tax Expenses	(200)	(123)	62.6	(320)	(199)	61.0
Profit, Net of Tax	833	520	60.2	1,576	847	86.0
Profit, Net of Tax Attributable to:						
Owners of the Company	662	445	48.8	1,314	784	67.6
Non-Controlling Interests	171	75	127.8	262	63	316.3
Profit, Net of Tax	833	520	60.2	1,576	847	86.0

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2015	Q2 2014	Inc/(dec)	2015	2014	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit, Net of Tax	833	520	60.2	1,576	847	86.0
Other Comprehensive Income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(966)	184	(625.2)	(1,597)	198	(906.7)
Total Comprehensive (Loss)/Income for the period	(133)	704	(118.9)	(21)	1,045	(102.0)
Total Comprehensive (Loss)/Income for the period Attributable to:						
Owners of the Company	(261)	629	(141.5)	(217)	981	(122.1)
Non-Controlling interest	128	75	70.4	196	64	206.6
Total Comprehensive (Loss)/Income for the period	(133)	704	(118.9)	(21)	1,045	(102.0)

1(a)(ii) Notes to Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2015	Q2 2014	Inc/(dec)	2015	2014	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Profit before income tax is stated after (charging)/crediting the following items:						
Gain on Disposal of Plant and Equipment	5	-	100.0	4	-	100.0
Foreign Exchange Gain/(Loss), net	(54)	(73)	(25.6)	26	(2)	(1397.2)
Amortisation of Intangible Assets	(273)	(288)	(5.1)	(531)	(574)	(7.4)
Depreciation of Plant and Equipment	(138)	(117)	17.7	(282)	(240)	17.4
Plant and Equipment Written-Off	-	(6)	(100.0)	-	(6)	(100.0)
Components of tax expense recognised in profit and loss include:						
Current Tax Expenses	(44)	(66)	(32.6)	(107)	(125)	(14.0)
Over adjustments in respect of prior years	0	(14)	(100.4)	18	(14)	100.0
Overseas Withholding Tax Expenses	(156)	(43)	262.5	(231)	(60)	284.8

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position

	Group	Group	Company	Company
	As at	As at	As at	As at
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Plant and Equipment	1,731	1,804	-	-
Investment Property	3,209	3,370	-	-
Intangible Assets	13,512	14,541	-	-
Investments in Subsidiaries	-	-	32,734	32,734
Investment in Jointly-Controlled Entity	3	7	-	-
Other Financial Assets	696	-	-	-
Total Non-Current Assets	19,151	19,722	32,734	32,734
Current assets				
Inventories	32	19	-	-
Income Tax Recoverable	202	130	-	-
Trade and Other Receivables	10,486	9,680	3,456	4,080
Other Assets	227	342	24	4
Cash and Cash Equivalents	12,260	11,880	382	14
Total Current Assets	23,207	22,051	3,862	4,098
Total Assets	42,358	41,773	36,596	36,832
EQUITY AND LIABILITIES				
Equity				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	8,068	6,754	4,187	4,334
Foreign Currency Translation Reserve	(5,677)	(4,146)	-	-
Equity, Attributable to Owners of the Parent	34,339	34,556	36,135	36,282
Non-Controlling Interest	1,566	1,370	-	-
Total Equity	35,905	35,926	36,135	36,282
Non-Current Liabilities				
Deferred Tax Liabilities	10	5	-	-
Total Non-Current Liabilities	10	5	-	-
Current Liabilities				
Income Tax Payables	65	75	-	-
Trade and Other Payables	4,509	5,240	461	550
Other Liabilities	1,869	527	-	-
Total Current Liabilities	6,443	5,842	461	550
Total Liabilities	6,453	5,847	461	550
Total Equity and Liabilities	42,358	41,773	36,596	36,832

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

As at 30 June 2015, the Group did not have borrowings and debt securities.

Details of any collateral

The company has issued a financial guarantee to a bank for banking facilities granted to a subsidiary. The banking facilities are secured by fixed deposits of the subsidiary amounting to approximately \$307,000 and covered by a personal guarantee of a director of the subsidiary and corporate guarantee of the company of \$553,000 (2014: \$581,000). As at the end of the financial period, the outstanding facilities covered by the guarantee were Nil (2014: Nil).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flow

	Group			
	6 months ended 30 June			
	Q2 2015	Q2 2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Profit Before Income Tax	1,033	643	1,896	1,046
Adjustments for:				
Amortisation of Intangible Assets	273	288	531	574
Depreciation of Plant and Equipment	138	117	282	240
Loss on Disposal of Plant and Equipment	(5)	-	(4)	-
Plant and Equipment Written-Off	-	6	-	6
Interest Income	(67)	(60)	(133)	(132)
Shared of Result from Jointly-Controlled Entity	3	-	4	-
Operating Cash Flow before Changes in Working Capital	1,375	994	2,576	1,734
Inventories	(5)	(22)	2	(24)
Trade and Other receivables	(1,084)	(13)	(876)	(2,071)
Other Assets	93	181	115	182
Trade and Other payables	(579)	510	(855)	1,751
Other Liabilities	1,586	3	1,343	(37)
Net Cash Flows From Operations	1,386	1,653	2,305	1,535
Income Tax Paid	(82)	(132)	(196)	(260)
Net Cash Flows From Operating Activities	1,304	1,521	2,109	1,275
Cash Flows From Investing Activities:				
Purchase of Plant and Equipment	(83)	(294)	(261)	(374)
Other Financial Assets	(696)	-	(696)	-
Proceeds From Disposal of Plant and Equipment	5	-	5	
Payment of Contingent Consideration	-	(923)	-	(923)
Payment for Development Costs	(90)	(108)	(182)	(176)
Cash Restricted in Use	-	2,451	-	2,433
Interest Income Received	67	60	133	132
Net Cash Flows (Used in) / From Investing Activities	(797)	1,186	(1,001)	1,092
Cash Flows From Financing Activities:				
Cash Restricted in Use	(2)	(4)	(5)	43
Net Cash Flows (Used in) / From Financing Activities	(2)	(4)	(5)	43

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

			Group	
			6 months ended 30 June	
	Q2 2015	Q2 2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Net Change in Cash and Cash Equivalents	505	2,703	1,103	2,410
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	11,808	8,135	11,480	8,453
Effect of Exchange Rate Changes On Cash and Cash Equivalents	(442)	56	(712)	31
Cash and Cash Equivalents At End of the Financial Period (Note 1)	11,871	10,894	11,871	10,894

Explanatory Notes:

Note 1

	Group	
	6 months ended 30 June	
	2015	2014
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	12,260	11,251
Less: Restricted Deposits	(389)	(357)
Cash and cash equivalents per consolidated statement of cash flows	11,871	10,894

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Second Quarter ended 30 June 2015

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Quarter						
Group						
Opening Balance at 1 April 2015	36,038	34,600	31,948	7,406	(4,754)	1,438
Total Comprehensive (Loss) / Income for the financial period	(133)	(261)	-	662	(923)	128
Closing Balance at 30 June 2015	35,905	34,339	31,948	8,068	(5,677)	1,566
Company						
Opening Balance at 1 April 2015	36,191	36,191	31,948	4,243	-	-
Total Comprehensive Loss for the financial period	(56)	(56)	-	(56)	-	-
Closing Balance at 30 June 2015	36,135	36,135	31,948	4,187	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statement of Changes in Equity for the Second Quarter ended 30 June 2014

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous Quarter						
Group						
Opening Balance at 1 April 2014	35,306	33,925	31,948	5,573	(3,596)	1,381
Total Comprehensive Income for the financial period	704	629	-	445	184	75
Closing Balance at 30 June 2014	36,010	34,554	31,948	6,018	(3,412)	1,456
Company						
Opening Balance at 1 April 2014	36,488	36,488	31,948	4,540	-	-
Total Comprehensive Loss for the financial period	(70)	(70)	-	(70)	-	-
Closing Balance at 30 June 2014	36,418	36,418	31,948	4,470	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity for the six months ended 30 June 2015

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Period:						
Group						
Opening Balance at 1 January 2015	35,926	34,556	31,948	6,754	(4,146)	1,370
Total Comprehensive (Loss) / Income for the financial period	(21)	(217)	-	1,314	(1,531)	196
Closing Balance at 30 June 2015	35,905	34,339	31,948	8,068	(5,677)	1,566
Company						
Opening Balance at 1 January 2015	36,282	36,282	31,948	4,334	-	-
Total Comprehensive Loss for the financial period	(147)	(147)	-	(147)	-	-
Closing Balance at 30 June 2015	36,135	36,135	31,948	4,187	-	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statements of Changes in Equity for the six months ended 30 June 2014

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous Quarter:						
Group						
Opening Balance at 1 January 2014	34,965	33,573	31,948	5,234	(3,609)	1,392
Total Comprehensive Income for the financial period	1,045	981	-	784	197	64
Closing Balance at 30 June 2014	36,010	34,554	31,948	6,018	(3,412)	1,456
Company						
Opening Balance at 1 January 2014	36,578	36,578	31,948	4,630	-	-
Total Comprehensive Loss for the financial period	(160)	(160)	-	(160)	-	-
Closing Balance at 30 June 2014	36,418	36,418	31,948	4,470	-	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.

	Company	
	As at 30/6/2015	As at 31/12/2014
Ordinary share ⁽¹⁾	31,957,264	319,572,675

⁽¹⁾ The Company had on 14 May 2015 completed the share consolidation of every ten (10) ordinary shares into one (1) consolidated share. Accordingly, the issued share capital of the Company now comprises 31,957,264 consolidated shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Quarter ended 30 June		6 months ended 30 June	
	2015	2014	2015	2014
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	2.07	1.39	4.11	2.45
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a	n.a	n.a	n.a

n.a.: not applicable

⁽¹⁾ For comparative purposes, the earnings per ordinary share of the Group has been computed based on the profit, net of tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 31,957,264 shares for financial period ended 30 June 2015 and 2014.

⁽²⁾ Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 30/6/2015		As at 31/12/2014	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	107.45	113.07	108.13	113.53

⁽¹⁾ For comparative purposes, the net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company attributable to owners of the Company at the relevant financial period/year and the existing issued share capital of 31,957,264 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of results for the second quarter ended 30 June 2015 as compared to corresponding quarter ended 30 June 2014

Group Revenue

The Group recorded consolidated revenue of S\$5.383 million for the quarter ended 30 June 2015 ("Q2 2015"), a decrease of 14% against the revenue recorded in the quarter ended 30 June 2014 ("Q2 2014"). The decline in Group revenue for Q2 2015 is attributable to lower revenue recorded by GlobeOSS.

GlobeOSS recorded revenue of S\$1.868 million in Q2 2015, a decrease of 34.4% from the S\$2.847 million recorded in Q2 2014. This decline in revenue was mainly due to the lower system sale contract revenues.

In contrast, Unifiedcomms posted revenue of S\$3.457 million, an increase of 3.1% on the S\$3.354 million recorded in Q2 2014. This increase was driven primarily by the higher system sale contract revenues.

The Group's Others segment meanwhile contributed S\$0.058 million in income from investments.

The Group's sales mix in Q2 2015 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 65.1% of the Group's total revenue in Q2 2015 as compared to 58.1% in Q2 2014. The higher contribution of managed service contracts to the Group's sales mix in Q2 2015 is mainly attributable to the decrease in system sale contract revenues of the Group, which had declined 28.5% from S\$2.624 million in Q2 2014 to S\$1.877 million in Q2 2015.

Group Gross Profit and Gross Profit Margins

Although Group revenue was lower in Q2 2015, gross profit was higher at S\$3.014 million as compared to S\$2.631 million achieved in Q2 2014. This is attributable to the higher gross profit margin of 56.0% in Q2 2015 against 42.0% in Q2 2014, which was driven by the improvement in gross profit margin on system sale contract revenues. This improvement was mainly contributed by the lower third-party component costs incurred by both GlobeOSS and Unifiedcomms on their respective system sale contract revenues.

The gross profit margin recorded by the Group on its managed service contract revenues also increased slightly to 57.9% in Q2 2015 from 56.9% in Q2 2014. This increase in gross profit margin was a result of lower cost of sales in Q2 2015.

Interest Income

The Group recorded interest income of S\$0.067 million in Q2 2015, marginally higher than the S\$0.060 million recorded in Q2 2014.

Other Items of Expense

The Group recorded total expenses of S\$2.052 million in Q2 2015, flat against what was incurred in Q2 2014.

Group Net Profit and EBITDA

The Group achieved higher net profit of S\$0.833 million and EBITDA of S\$1.377 million in Q2 2015 as compared to the S\$0.52 million in net profit and S\$0.988 million in EBITDA recorded by the Group in Q2 2014. The higher net profit and EBITDA results achieved in Q2 2015 are mainly attributable to the flow-down effect of higher gross profit margin recorded in Q2 2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the second quarter ended 30 June 2015 as compared to corresponding quarter ended 30 June 2014 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for Q2 2015, together with comparative results for Q2 2014, is provided below:

Table 8.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 June

	Q2 2015 S\$'000	Sales mix %	Q2 2014 S\$'000	Sales mix %
Unifiedcomms	3,457	64.2	3,354	53.6
GlobeOSS	1,868	34.7	2,847	45.5
Others	58	1.1	61	1.0
Total	5,383	100.0	6,262	100.0

Unifiedcomms - Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.

GlobeOSS - Segment for mobile network operation support systems, solutions and managed services.

Others - Segment for operational headquarters of the Group and investment holding.

Table 8.2: Group consolidated revenue as analysed by geographical segment for the quarter ended 30 June

External Sales	Q2 2015			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	2,599	1,863	58	4,520
South Asia (SA)	178	-	-	178
Middle East & Africa (MEA)	680	-	-	680
Others	-	5	-	5
Total	3,457	1,868	58	5,383

External Sales	Q2 2014			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	2,736	2,842	61	5,639
SA	286	-	-	286
MEA	329	-	-	329
Others	3	5	-	8
Total	3,354	2,847	61	6,262

Table 8.3: Group consolidated revenue as analysed by contract type for the quarter ended 30 June

External Sales	Q2 2015			Q2 2014		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	1,877	3,506	5,383	2,624	3,638	6,262
Gross Profit	982	2,032	3,014	562	2,069	2,631
Gross Profit (%)	52.3%	57.9%	56.0%	21.4%	56.9%	42.0%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the six months ended 30 June 2015 as compared to corresponding financial period ended 30 June 2014

Revenue

The Group recorded consolidated revenue of S\$10.367 million for the six months ended 30 June 2015 ("6M 2015"), a decrease of 8.6% against the revenue recorded in the corresponding period of 2014 ("6M 2014"). The decline in Group revenue for 6M 2015 is attributable to lower revenue recorded by GlobeOSS.

GlobeOSS recorded revenue of S\$3.425 million in 6M 2015, a decrease of 25.9% from the S\$4.627 million recorded in 6M 2014. This decline in revenue was mainly due to the lower system sale contract revenues.

In contrast, Unifiedcomms posted revenue of S\$6.825 million, an increase of 3.6% on the S\$6.588 million recorded in 6M 2014. This increase was driven primarily by the higher managed service contract revenues.

The Group's Others segment meanwhile contributed S\$0.116 million in income from investments.

The Group's sales mix in 6M 2015 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 66.0% of the Group's total revenue in 6M 2015 as compared to 59.9% in 6M 2014. The higher contribution of managed service contracts to the Group's sales mix in 6M 2015 is mainly attributable to the decrease in system sale contract revenues of the Group, which had declined 22.6% from S\$4.549 million in 6M 2014 to S\$3.521 million in 6M 2015.

Gross Profit and Gross Profit Margins

Although Group revenue was lower in 6M 2015, gross profit was higher at S\$5.711 million as compared to S\$4.938 million achieved in 6M 2014. This is attributable to the higher gross profit margin of 55.1% in 6M 2015 against 43.6% in 6M 2014, which was driven by the improvement in gross profit margin on system sale contract revenues. This improvement was mainly contributed by the lower third-party component costs incurred by both GlobeOSS and Unifiedcomms on their respective system sale contract revenues.

The gross profit margin recorded by the Group on its managed service contract revenues also increased to 58.3% in 6M 2015 from 54.4% in 6M 2014. This increase in gross profit margin was a result of higher managed service contract revenues achieved coupled with lower cost of sales in 6M 2015.

Interest Income

The Group recorded interest income of S\$0.133 million in 6M 2015, a flat result against what was achieved in 6M 2014.

Other gains

The Group recorded other gains of S\$0.038 million in 6M 2015, 43.7% lower than the S\$0.067 million achieved in 6M 2014, mainly due to absence of cash incentives from the Singapore tax authority on certain plant and equipment investments of a subsidiary in Singapore.

Other Items of Expense

The Group recorded total expenses of S\$3.986 million in 6M 2015, 2.6% lower than the S\$4.091 million incurred in 6M 2014. This decrease in total expenses is mainly attributable to lower distribution costs recorded in 6M 2015 as a result of reduction in sales and business development headcount of the Group.

Net Profit and EBITDA

The Group achieved higher net profit of S\$1.576 million and EBITDA of S\$2.576 million in 6M 2015 as compared to the S\$0.847 million in net profit and S\$1.728 million in EBITDA recorded by the Group in 6M 2014. The higher net profit and EBITDA results achieved in 6M 2015 are mainly attributable to the flow-down effect of higher gross profit margin and lower operating expenses recorded in 6M 2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the six months ended 30 June 2015 as compared to corresponding financial period ended 30 June 2014 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for 6M 2015, together with comparative results for 6M 2014 is provided below:

Table 8.4: Group revenue as analysed by business unit for the six months ended 30 June

	2015 S\$'000	Sales mix %	2014 S\$'000	Sales mix %
Unifiedcomms	6,825	65.8	6,588	58.1
GlobeOSS	3,425	33.0	4,627	40.8
Others	117	1.1	122	1.1
Total	10,367	100.0	11,337	100.0

Unifiedcomms - Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.

GlobeOSS - Segment for mobile network operation support systems, solutions and managed services.

Others - Segment for operational headquarters of the Group and investment holding.

Table 8.5: Group revenue as analysed by geographical segment for the six months ended 30 June

External Sales	2015			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	5,449	3,414	117	8,980
South Asia (SA)	396	-	-	396
Middle East & Africa (MEA)	974	-	-	974
Others	6	11	-	17
Total	6,825	3,425	117	10,367

External Sales	2014			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	5,265	4,616	122	10,003
SA	563	-	-	563
MEA	755	-	-	755
Others	5	11	-	16
Total	6,588	4,627	122	11,337

Table 8.6: Group revenue as analysed by contract type for the six months ended 30 June

External Sales	2015			2014		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	3,521	6,846	10,367	4,549	6,788	11,337
Gross Profit	1,718	3,993	5,711	1,244	3,694	4,938
Gross Profit (%)	48.8%	58.3%	55.1%	27.3%	54.4%	43.6%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of the Group's financial position as at 30 June 2015 as compared to the Group's financial position as at 31 December 2014

Non-cash current assets of the Group increased from \$10.171 million as at 31 December 2014 to S\$10.947 million as at 30 June 2015. This 7.6% increase in non-cash current assets was mainly due to the increase in trade and other receivables of the Group as a result of higher advance billings issued to certain customers. Excluding the effect of these higher advance billings, by netting off other liabilities of the same nature, non-cash current assets as at 30 June 2015 and 31 December 2014 would instead be S\$9.078 million and S\$9.644 million respectively, representing a decrease of 5.9%, instead of the 7.6% increase above. This 5.9% decrease translates into an unchanged debtor turnover ratio of 5 months for both 30 June 2015 and 31 December 2014.

Total non-current assets of the Group decreased from S\$19.722 million as at 31 December 2014 to S\$19.151 million as at 30 June 2015. This 2.9% decrease in non-current assets is attributable to:-

- * On-going depreciation and amortisation charges on plant and equipment and the intangible assets of the Group; and
- * Effect of foreign exchange on investment property and goodwill arising on consolidation (classified under the intangible assets) as a result of unfavorable foreign translation caused by the weakened MYR against SGD.

The above impact was however partly mitigated by the investments in other financial assets of S\$0.696 million made by the Group's recently incorporated subsidiary, Captii Ventures Pte. Ltd.

Total liabilities of the Group increased from S\$5.847 million as at 31 December 2014 to S\$6.453 million as at 30 June 2015. This 10.4% increase in total liabilities is attributable to the increase in other liabilities, that relate to the higher advance billings as mentioned above.

Review of the Group's cash flow for the quarter and six months ended 30 June 2015 as compared to the corresponding period ended 30 June 2014

The Group's net cash flow from operations for Q2 2015 was S\$1.386 million, as compared to S\$1.653 million for Q2 2014, a decrease of 16.2%. This decrease is attributable to the less favourable working capital changes (S\$0.011 million for Q2 2015 versus S\$0.659 million for Q2 2014) which more than offset the improvement in profit before tax to S\$1.033 million for Q2 2015 from S\$0.643 million for Q2 2014.

The Group's net cash flow from operations for 6M 2015 was S\$2.305 million, as compared to S\$1.535 million for 6M 2014, an increase of 50.2%. This increase was mainly contributed by the higher profit before tax of S\$1.896 million for 6M 2015 versus S\$1.046 million for 6M 2014.

The Group's net cash flow used in investing activities for Q2 2015 was S\$0.797 million, in contrast with the net cash flows from investing activities of S\$1.186 million for Q2 2014. The significant higher net cash used in investing activities is mainly attributable to absence of withdrawal of interest bearing deposit amounted to S\$2.451 million in Q2 2014 related to the deposit in an escrow account that served as contingent consideration payable for the acquisition of Ahead Mobile Sdn Bhd. The withdrawal amount in Q2 2014 is in connection with the final payment of contingent consideration of S\$0.923 million made in Q2 2014. In addition, the net cash used in investing activities for Q2 2015 comprised investments of S\$0.696 million on certain technology companies as mentioned in the earlier section.

The Group's net cash flow used in investing activities for 6M 2015 was S\$1.001 million, in contrast with the net cash flows from investing activities of S\$1.092 million for Q2 2014. This significant changes is mainly attributable to the same factors as explained above.

The Group's net cash flow used in financing activities for 6M 2015 amounted to S\$0.005 million as compared to net cash flow from financing activities of S\$0.043 million for 6M 2014. This is mainly attributable to the absence of withdrawal of a deposit previously pledged by a subsidiary with a bank to increase its existing banking facilities' limit.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No profit forecast has been issued for the financial period under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The directors and management of the Group expect the remainder of 2015 financial year to remain challenging, especially for the parts of our business that generate revenues primarily from system sale contracts.

Although 2014 proved to be a year of stronger growth in system sale contract revenues, management does not anticipate this to be a trend that will readily extend into 2015. While every effort will be made by management and the teams across all our Business Units to sustain, if not improve, on the system sale revenues achieved in 2014, this source of revenue for the Group remains the least certain. Mobile network operators in all our regions of focus continue to shrink their capital expenditure budgets on bolt-on platforms and systems in favour of procuring these technologies on a managed service, opex based model. The only somewhat associated trend that can be readily expected to persist, is the downward pressure on margins where there are system sale contract opportunities to be had.

While the growth in system sale contract revenues is expected to be less certain and gross margin pressure expected to persist, management of the Group anticipates the steady progress in growing the managed service contract portfolio of the Group to be effective as a countervailing force.

Management is optimistic that growth of managed service contract revenues can be sustained over the coming years to drive the improvement in the overall financial performance of the Group. The strategy at Unifiedcomms business of the Group, will continue to be focused on developing and delivering high value, utility-focused application and platform services in partnership with the leading mobile network operators and service providers of the SEA, SA and MEA regions.

With the renaming of the Company to Captii Limited in 2014, the Group had in the second half of 2014 separated the identity of our operating units and subsidiaries – namely Unifiedcomms and GlobeOSS – from that of their investment holding parent company. This allowed the Company, re-branded as Captii, to clearly position itself as an investment company that not only invests in growing our own established businesses but also in promising technology and innovation originating outside the confines of our Group.

Captii through its technology investment and venture activities will be capitalising on the growth in internet usage - especially the mobile broadband variety - in the SEA and SA regions by strategically investing in early to late stage technology and innovation in internet-delivered applications and mobile and digital media. The Group's strategic investment plan in the year ahead will focus primarily on these growth businesses in the SEA and SA regions, and will be complemented by the growth-by-acquisition strategy already in place for the existing business units.

11. Dividend

(a) Current Financial Year Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	2.5 Singapore Cents per ordinary share ⁽¹⁾
Tax Rate	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	0.2 Singapore Cents per ordinary share ⁽¹⁾
Tax Rate	Tax-exempt (one-tier)

⁽¹⁾ Prior to 14 May 2015, the issued share capital of the Company comprised 319,572,675 ordinary shares. Subsequent to 14 May 2015, upon completion of the share consolidation of every ten (10) ordinary shares into one (1) consolidated share, the issued share capital of the Company now comprises 31,957,264 consolidated shares.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	6 months ended 30 June		6 months ended 30 June	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
AESBI Power Systems Sdn Bhd *	134	133	Nil	Nil

* A wholly-owned subsidiary of Advance Synergy Capital Sdn. Bhd. (a wholly-owned subsidiary of Advance Synergy Berhad, the Group's ultimate holding corporation)

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

16. A breakdown of sales.

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Not applicable.

19. Negative Confirmation pursuant to rule 705(5).

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 June 2015 to be false or misleading.

On behalf of the Board of Directors

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Chief Executive Officer

BY ORDER OF THE BOARD

Anton Syazi Ahmad Sebi
Chief Executive Officer
12 August 2015