

**Response to Shareholder Questions on the Company's Annual Report for the Financial Year Ended 31 December 2020**

Further to the Announcement dated 7 April 2021 on the live webcast of Annual General Meeting on 28 April 2021, the Board of Directors (the "Board") of Captii Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce the following in response to the shareholder questions received between 7 April 2021 and 25 April 2021.

Shareholder Question 1:

*"Why have the venture investments fared relatively so un-impressively, maybe even badly in a COVID year where internet-driven companies are supposed to do well, if not very well?"*

Company's Response:

Not all of the Group's venture investees are internet-driven companies that have benefited from the circumstances brought about by the CoViD-19 pandemic. Captii Ventures is a multi-stage investor, investing in both early and late-stage start-ups. For our early-stage investees which are not engaged in e-commerce, or whose core business was adversely impacted by movement restrictions and border controls, the climate for business development and funding proved to be extremely challenging. As a result, certain investees in our portfolio had dampened valuations and some faced difficulty in raising further capital to support the growth and development of their business.

Certain Captii Ventures investees whose businesses benefited from the circumstances and behavioural changes brought about by the pandemic however, did well and countervailed the decline in value of those that were adversely affected by CoViD-19. In a year of ups and downs, the Group's venture investment portfolio was fair-valued at S\$11.8 million as at 31 December 2020, versus investment cost of S\$8.2 million.

Shareholder Question 2:

*"...Before the onset of the CoViD-19 pandemic, we anticipated some portfolio exits being possible this year. Discussions and activities in connection with the sale and purchase of stakes in some of our investees were halted or the process slowed down significantly as the pandemic accelerated. While the acquirer and investor interest appears to remain, progress that can be achieved in these discussions and activities in the rest of the year is uncertain..."*

*We have not seen any real return from the venture investments after all these years and from the above response from last year's question, it seems that we can only see get back our investments if there are people willing to pay the "fair-value" for the venture investments. What if there's no one who is willing to buy these investments? Why is the company still planning to sink more money into these venture investments when the "returns" are not exactly good and the coy even cut the \$0.025 yearly dividends by half in 2017-2018 to fund these ventures."*

Company's Response:

Venture investment, especially in support of early-stage businesses, is a long-term undertaking. The performance of the Captii Ventures investment portfolio has undoubtedly been affected by the CoViD-19 pandemic due to the more difficult conditions for fund-raising and exits. Captii Ventures has been very cautious in evaluating new investment opportunities and this is reflected in the significant drop in investment activities to S\$72,000 in 2020 as compared to S\$628,000 in 2019.

Overall, the Group will be even more selective on its future investments. In the year ahead priority will be placed on managing our existing investments to a positive conclusion.

Shareholder Question 3:

*“The coy’s share price has been very low for some time already, at least for a couple of AGMs, many times even less than nett-cash. This is obviously a great idea to do share-buyback so that the results from the coy’s biz and assets would instantly be more valuable for all shareholders. Why has the coy not do such an easy investment but insist on making the difficult and unproven venture investments?”*

Company’s Response:

The Group does not have plans for a share buyback programme. In light of the economic uncertainties brought about the CoViD-19 pandemic, steps have been taken to restrict the scale and pace of growth of our venture investment business.

With the potentially negative macroeconomic backdrop of a lingering CoViD-19 pandemic, the Group will remain focused on effectively managing through the economic and industry uncertainty in the year ahead to ensure that all our businesses remain fundamentally strong and resilient, and their value preserved. This in turn requires Group cash to be conserved so that it can be made available to our businesses should the adverse impact of the pandemic prove more adverse or longer-lasting than anticipated.

**By Order of the Board**

Wong Tze Leng  
Executive Chairman

27 April 2021