

**Condensed interim financial statements
for the quarter and six months ended 30 June 2022**

A. Condensed consolidated statement of profit or loss and other comprehensive income

| | Note | Group | | Group | |
|--|------|-----------------------|--------------|------------------------|--------------|
| | | Quarter ended 30 June | | 6 months ended 30 June | |
| | | Q2 2022 | Q2 2021 | 2022 | 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 4 | 5,354 | 5,555 | 10,698 | 10,916 |
| Cost of sales | | (2,694) | (2,802) | (5,539) | (5,440) |
| Gross profit | | 2,660 | 2,753 | 5,159 | 5,476 |
| Other items of income: | | | | | |
| Interest Income | | 30 | 31 | 63 | 66 |
| Other gains | | 36 | (150) | 172 | 143 |
| Other items of expense: | | | | | |
| Technical support expenses | | (990) | (1,072) | (2,002) | (2,235) |
| Distribution costs | | (313) | (316) | (698) | (685) |
| Administrative expenses | | (739) | (550) | (1,322) | (1,080) |
| Other losses | | 8 | (239) | (24) | (242) |
| Finance costs | | (11) | (26) | (26) | (55) |
| Profit before income tax | 6 | 681 | 431 | 1,322 | 1,388 |
| Income tax expenses | 7 | (120) | (172) | (229) | (346) |
| Profit, net of tax | | 561 | 259 | 1,093 | 1,042 |
| Profit, net of tax attributable to: | | | | | |
| Owners of the company | | 549 | 95 | 1,004 | 835 |
| Non-controlling interests | | 12 | 164 | 89 | 207 |
| Profit, net of tax | | 561 | 259 | 1,093 | 1,042 |

Other comprehensive income

| | Note | Group | | Group | |
|--|------|-----------------------|--------------|------------------------|--------------|
| | | Quarter ended 30 June | | 6 months ended 30 June | |
| | | Q2 2022 | Q2 2021 | 2022 | 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Profit, net of tax | | 561 | 259 | 1,093 | 1,042 |
| Other comprehensive income: | | | | | |
| Items that may be reclassified to profit or loss in subsequent periods (net of tax) | | | | | |
| Currency translation differences on consolidation of foreign entities (net) | | (295) | (32) | (488) | (642) |
| Total other comprehensive income for the financial period | | 266 | 227 | 605 | 400 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 331 | 69 | 618 | 268 |
| Non-Controlling interest | | (65) | 158 | (13) | 132 |
| Total other comprehensive income for the financial period | | 266 | 227 | 605 | 400 |
| Earnings per share for profit for the period attributable to the owners of the Company during the financial period: | | cents | cents | cents | cents |
| Basic and diluted earnings per share | | 1.72 | 0.30 | 3.14 | 2.61 |

B. Condensed interim statements of financial position

| | Note | Group | Group | Company | Company |
|---|------|---------------|---------------|---------------|---------------|
| | | As at | As at | As at | As at |
| | | 30/6/2022 | 31/12/2021 | 30/6/2022 | 31/12/2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Plant and equipment | 11 | 1,431 | 1,811 | - | - |
| Investment property | 12 | 2,082 | 2,137 | - | - |
| Intangible assets | 10 | 10,401 | 10,645 | - | - |
| Investments in subsidiaries | | - | - | 34,778 | 34,778 |
| Other financial assets | 9 | 27,497 | 28,523 | - | - |
| Deferred tax assets | | 1,011 | 1,025 | - | - |
| Total non-current assets | | 42,422 | 44,141 | 34,778 | 34,778 |
| Current assets | | | | | |
| Inventories | | 6 | 4 | - | - |
| Trade and Other receivables | | 10,694 | 11,384 | 9,069 | 10,450 |
| Other non-financial assets | | 1,388 | 2,017 | 26 | 28 |
| Cash and cash equivalents | | 13,543 | 13,823 | 784 | 141 |
| Total current assets | | 25,631 | 27,228 | 9,879 | 10,619 |
| Total assets | | 68,053 | 71,369 | 44,657 | 45,397 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 14 | 31,948 | 31,948 | 31,948 | 31,948 |
| Retained earnings | | 29,676 | 28,672 | 10,535 | 10,701 |
| Foreign currency translation reserve | | (9,034) | (8,648) | - | - |
| Equity, attributable to owners of the parent | | 52,590 | 51,972 | 42,483 | 42,649 |
| Non-controlling interest | | 10,499 | 10,747 | - | - |
| Total equity | | 63,089 | 62,719 | 42,483 | 42,649 |
| Non-current liabilities | | | | | |
| Lease liabilities | | 252 | 417 | - | - |
| Total non-current liabilities | | 252 | 417 | - | - |
| Current liabilities | | | | | |
| Income tax payables | | 422 | 548 | 6 | 6 |
| Trade and other payables | | 3,097 | 6,362 | 2,168 | 2,742 |
| Other non-financial liabilities | | 819 | 707 | - | - |
| Lease liabilities | | 313 | 342 | - | - |
| Borrowings | 13 | 61 | 274 | - | - |
| Total current liabilities | | 4,712 | 8,233 | 2,174 | 2,748 |
| Total liabilities | | 4,964 | 8,650 | 2,174 | 2,748 |
| Total equity and liabilities | | 68,053 | 71,369 | 44,657 | 45,397 |

C. Condensed interim statements of changes in equity

Statement of Changes in Equity for the second quarter ended 30 June 2022

| | Note | Total equity S\$'000 | Attributable to parent Sub-total S\$'000 | Share capital S\$'000 | Retained earnings S\$'000 | Foreign currency translation reserve S\$'000 | Non-controlling interests S\$'000 |
|--|------|-------------------------|--|--------------------------|------------------------------|---|--------------------------------------|
| Current quarter | | | | | | | |
| Group | | | | | | | |
| Opening balance at 1 April 2022 | | 62,820 | 52,259 | 31,948 | 29,127 | (8,816) | 10,561 |
| Total comprehensive income/(expenses) for the financial period | | 266 | 331 | - | 549 | (218) | (65) |
| Dividend Paid | | 3 | - | - | - | - | 3 |
| Closing Balance at 30 June 2022 | | 63,089 | 52,590 | 31,948 | 29,676 | (9,034) | 10,499 |
| Company | | | | | | | |
| Opening balance at 1 April 2022 | | 42,599 | 42,599 | 31,948 | 10,651 | - | - |
| Total comprehensive expenses for the financial period | | (116) | (116) | - | (116) | - | - |
| Closing Balance at 30 June 2022 | | 42,483 | 42,483 | 31,948 | 10,535 | - | - |

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 2021

| | Note | Total equity S\$'000 | Attributable to parent Sub-total S\$'000 | Share capital S\$'000 | Retained earnings S\$'000 | Foreign currency translation reserve S\$'000 | Non-controlling interests S\$'000 |
|---|------|-------------------------|--|--------------------------|------------------------------|---|--------------------------------------|
| Previous quarter | | | | | | | |
| Group | | | | | | | |
| Opening balance at 1 April 2021 | | 46,914 | 41,923 | 31,948 | 18,677 | (8,702) | 4,991 |
| Total comprehensive income for the financial period | | 227 | 69 | - | 95 | (26) | 158 |
| Closing balance at 30 June 2021 | | 47,141 | 41,992 | 31,948 | 18,772 | (8,728) | 5,149 |
| Company | | | | | | | |
| Opening balance at 1 April 2021 | | 41,889 | 41,889 | 31,948 | 9,941 | - | - |
| Total comprehensive income for the financial period | | 579 | 579 | - | 579 | - | - |
| Closing balance at 30 June 2021 | | 42,468 | 42,468 | 31,948 | 10,520 | - | - |

C. Condensed interim statements of changes in equity (continued)

Statements of changes in equity for the six month ended 30 June 2022

| | Note | 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 2022 | | 62,719 | 51,972 | 31,948 | 28,672 | (8,648) | 10,747 |
| Total comprehensive income/(expenses) for the financial period | | 605 | 618 | - | 1,004 | (386) | (13) |
| Dividend Paid | | (235) | - | - | - | - | (235) |
| Closing balance at 30 June 2022 | | 63,089 | 52,590 | 31,948 | 29,676 | (9,034) | 10,499 |
| Company | | | | | | | |
| Opening balance at 1 January 2022 | | 42,649 | 42,649 | 31,948 | 10,701 | - | - |
| Total comprehensive expense for the financial period | | (166) | (166) | - | (166) | - | - |
| Closing balance at 30 June 2022 | | 42,483 | 42,483 | 31,948 | 10,535 | - | - |

Statements of changes in equity for the six month ended 30 June 2021

| | Note | 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 period: | | | | | | | |
| Group | | | | | | | |
| Opening balance at 1 January 2021 | | 46,901 | 41,724 | 31,948 | 17,937 | (8,161) | 5,177 |
| Total comprehensive income/(expenses) for the financial period | | 400 | 268 | - | 835 | (567) | 132 |
| Dividend paid | | (160) | - | - | - | - | (160) |
| Closing balance at 30 June 2021 | | 47,141 | 41,992 | 31,948 | 18,772 | (8,728) | 5,149 |
| Company | | | | | | | |
| Opening balance at 1 January 2021 | | 41,944 | 41,944 | 31,948 | 9,996 | - | - |
| Total comprehensive income for the financial period | | 524 | 524 | - | 524 | - | - |
| Closing balance at 30 June 2021 | | 42,468 | 42,468 | 31,948 | 10,520 | - | - |

D. Condensed interim consolidated statement of cash flows

| | Note | Group | | | |
|---|------|------------------------|--------------|--------------|--------------|
| | | 6 months ended 30 June | | | |
| | | Q2 2022 | Q2 2021 | 2022 | 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Operating activities: | | | | | |
| Profit Before Income Tax | | 681 | 431 | 1,322 | 1,388 |
| Adjustments for: | | | | | |
| Amortisation of intangible assets | 6 | 61 | 84 | 131 | 174 |
| Depreciation of plant and equipment | 6 | 130 | 158 | 273 | 317 |
| Depreciation of right-of-use assets | 6 | 87 | 85 | 175 | 171 |
| Fair value loss on unquoted investments | 6 | 156 | 339 | 21 | 236 |
| Interest expense | | 11 | 26 | 26 | 55 |
| Interest income | | (30) | (31) | (63) | (66) |
| Operating cash flow before changes in working capital | | 1,096 | 1,092 | 1,885 | 2,275 |
| Inventories | | 0 | - | (1) | - |
| Trade and other receivables | | 670 | (591) | 691 | (1,037) |
| Other non-financial assets | | 487 | 627 | 629 | 967 |
| Trade and other payables | | (1,711) | (19) | (3,282) | (291) |
| Other non-financial liabilities | | 101 | 174 | 112 | (5) |
| Net cash flows from operations | | 643 | 1,283 | 34 | 1,909 |
| Income tax paid | | (107) | (25) | (334) | (132) |
| Net cash flows from/(used in) operating activities | | 536 | 1,258 | (300) | 1,777 |
| Cash flows from investing activities: | | | | | |
| Purchase of plant and equipment | | (79) | (56) | (116) | (90) |
| Redemption of investment | | - | - | - | 148 |
| Proceeds From Disposal of Investment | | - | - | 1,520 | - |
| Other financial assets | | (37) | - | (37) | (200) |
| Payment for development costs | | (87) | (51) | (177) | (121) |
| Interest income received | | 30 | 31 | 63 | 66 |
| Net cash flows from/(used in) investing activities | | (173) | (76) | 1,253 | (197) |
| Cash flows from financing activities: | | | | | |
| Dividend paid to non-controlling interests of subsidiary | | 3 | - | (235) | (160) |
| Cash restricted in use | | (1) | (1) | (4) | (4) |
| Repayment of interest bearing borrowings | | (82) | (85) | (206) | (265) |
| Lease liabilities principal portion paid | | (108) | (91) | (194) | (180) |
| Interest expenses paid | | (11) | (26) | (26) | (55) |
| Net cash flows used in financing activities | | (199) | (203) | (665) | (664) |
| Net change in cash and cash equivalents | | 164 | 979 | 288 | 916 |
| Cash and cash equivalents at beginning of the financial year (Note 1) | | 11,349 | 10,109 | 11,332 | 10,536 |
| Effect of exchange rate changes on cash and cash equivalents | | (406) | (2) | (513) | (366) |
| Cash and cash equivalents at end of the financial period (Note 1) | | 11,107 | 11,086 | 11,107 | 11,086 |

Explanatory Notes:

Note 1

| | Group | |
|--|------------------------|---------|
| | 6 months ended 30 June | |
| | 2022 | 2021 |
| | S\$'000 | S\$'000 |
| Cash and bank balances per statement of financial position | 13,543 | 13,544 |
| Less: Restricted deposits | (2,436) | (2,458) |
| Cash and cash equivalents per consolidated statement of cash flows | 11,107 | 11,086 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Captii Limited (the company) is incorporated in Singapore with limited liability. It is listed on Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the period ended 30 June 2022 comprise the company and its subsidiaries (collectively, the group). The primary activities of the company are those of investment holding and the provision of management services.

The principal activities of the group are:

- a) Distribution of information technology and telecommunications products, research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry.
- b) Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions.
- c) Provision of global roaming quality of services management solutions.
- d) Undertake investment in technology companies.
- e) Investment holding and the provision of management services.

2. Basis of Preparation

The condensed interim financial statements for the financial period ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance of the group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the company's functional currency.

2.1. New and amended standards adopted by the group

A number of amendments to Standards have become applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- * Note 12 – Classification of investment property

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- * Note 9 – fair value of unquoted investments
- * Note 10 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- * Note 12 – determination of fair value of investment property using significant unobservable inputs

3. Seasonal operations

The group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The group is organised into the following main business segments:

- * 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.
- * Captii Ventures – Segment for strategic investment in early and late-stage technology ventures.
- * Others – Segment for investment holding and operational headquarters of the group.

These operating segments are reported in a manner consistent with internal reporting provided to those who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

Financial period ended 30 June 2022

| | Unifiedcomms S\$'000 | GlobeOSS S\$'000 | Captii Ventures S\$'000 | Others S\$'000 | Elimination S\$'000 | Group S\$'000 |
|--|-------------------------|---------------------|----------------------------|-------------------|------------------------|------------------|
| Revenue: | | | | | | |
| -external | 7,534 | 3,164 | - | - | - | 10,698 |
| -inter-segment | - | 275 | - | 28 | (303) | - |
| Revenue from external parties | 7,534 | 3,439 | - | 28 | (303) | 10,698 |
| Cost of sales | (3,927) | (1,859) | - | (29) | 276 | (5,539) |
| Gross profit | 3,607 | 1,580 | - | (1) | (27) | 5,159 |
| Other items of income: | | | | | | |
| Interest income | 31 | 32 | - | - | - | 63 |
| Other gains | 68 | 0 | 178 | 120 | (194) | 172 |
| Other item of expenses: | | | | | | |
| Technical support expenses | (1,103) | (891) | - | (38) | 30 | (2,002) |
| Distribution costs | (360) | (342) | - | - | 4 | (698) |
| Administrative expenses | (507) | (252) | (42) | (579) | 58 | (1,322) |
| Other losses | (111) | (22) | (21) | (1) | 131 | (24) |
| Finance costs | (20) | (6) | - | - | - | (26) |
| Profit/(Loss) before income tax | 1,605 | 99 | 115 | (499) | 2 | 1,322 |
| Income tax expenses | (170) | (48) | - | (11) | - | (229) |
| Profit/(Loss), net of tax | 1,435 | 51 | 115 | (510) | 2 | 1,093 |
| Profit/(Loss) for the period attributable to: | | | | | | |
| Owners of the company | 1,435 | 26 | 51 | (510) | 2 | 1,004 |
| Non-controlling interest | - | 25 | 64 | - | - | 89 |
| Profit/(Loss) for the period | 1,435 | 51 | 115 | (510) | 2 | 1,093 |
| Other information | | | | | | |
| Depreciation of plant and equipment | (225) | (47) | - | (1) | - | (273) |
| Depreciation of right-of-use assets | (129) | (46) | - | - | - | (175) |
| Amortisation of intangible assets | (309) | - | - | - | 178 | (131) |
| Fair value loss on unquoted investments | - | - | (21) | - | - | (21) |
| Other segment items | | | | | | |
| Capital expenditure | | | | | | |
| - Plant and equipment | 109 | 7 | - | - | - | 116 |
| - Development costs | 177 | - | - | - | - | 177 |

Financial period ended 30 June 2022

| | | | | | | |
|---------------------------------------|--------|--------|--------|--------|----------|---------------|
| Segment assets | 32,695 | 12,669 | 27,552 | 53,604 | (59,478) | 67,042 |
| Unallocated assets | | | | | | 1,011 |
| Consolidated total assets | | | | | | 68,053 |
| Segment liabilities | 8,736 | 1,364 | 10,572 | 7,621 | (23,329) | 4,964 |
| Unallocated liabilities | | | | | | (0) |
| Consolidated total liabilities | | | | | | 4,964 |

4.1 Reportable segments (continued)

Financial period ended 30 June 2021

| | Unifiedcomms S\$'000 | GlobeOSS S\$'000 | Captii Ventures S\$'000 | Others S\$'000 | Elimination S\$'000 | Group S\$'000 |
|--|-------------------------|---------------------|----------------------------|-------------------|------------------------|------------------|
| Revenue: | | | | | | |
| -external | 7,297 | 3,619 | - | - | - | 10,916 |
| -inter-segment | - | 266 | - | 29 | (295) | - |
| | 7,297 | 3,885 | - | 29 | (295) | 10,916 |
| Cost of sales | (3,701) | (1,977) | - | (27) | 265 | (5,440) |
| Gross profit | 3,596 | 1,908 | - | 2 | (30) | 5,476 |
| Other items of income: | | | | | | |
| Interest income | 25 | 41 | - | - | - | 66 |
| Other gains | 72 | 10 | 45 | 55 | (39) | 143 |
| Other item of expenses: | | | | | | |
| Technical support expenses | (1,270) | (910) | - | (34) | (21) | (2,235) |
| Distribution costs | (414) | (274) | - | - | 3 | (685) |
| Administrative expenses | (471) | (243) | (42) | (434) | 110 | (1,080) |
| Other losses | (3) | (9) | (237) | (1) | 8 | (242) |
| Finance costs | (46) | (9) | - | - | - | (55) |
| Profit/(Loss) before income tax | 1,489 | 514 | (234) | (412) | 31 | 1,388 |
| Income tax expenses | (251) | (94) | - | (1) | - | (346) |
| Profit/(Loss), net of tax | 1,238 | 420 | (234) | (413) | 31 | 1,042 |
| Profit/(Loss) for the period attributable to: | | | | | | |
| Owners of the company | 1,238 | 213 | (234) | (413) | 31 | 835 |
| Non-controlling interest | - | 207 | - | - | - | 207 |
| Profit/(Loss) for the period | 1,238 | 420 | (234) | (413) | 31 | 1,042 |
| Other information | | | | | | |
| Depreciation of plant and equipment | (266) | (50) | - | (1) | - | (317) |
| Depreciation of right-of-use assets | (124) | (47) | - | - | - | (171) |
| Amortisation of intangible assets | (355) | - | - | - | 181 | (174) |
| Fair value loss on unquoted investments | - | - | (236) | - | - | (236) |
| Other segment items | | | | | | |
| Capital expenditure | | | | | | |
| - Plant and equipment | 88 | 2 | - | - | - | 90 |
| - Development costs | 121 | - | - | - | - | 121 |

Financial year ended 31 December 2021

| | | | | | | |
|---------------------------------------|--------|--------|--------|--------|----------|---------------|
| Segment assets | 33,101 | 15,337 | 28,630 | 54,499 | (61,223) | 70,344 |
| Unallocated assets | | | | | | 1,025 |
| Consolidated total assets | | | | | | 71,369 |
| Segment liabilities | 9,904 | 3,606 | 12,132 | 7,909 | (24,901) | 8,650 |
| Unallocated liabilities | | | | | | - |
| Consolidated total liabilities | | | | | | 8,650 |

4.2. Disaggregation of revenue

The group's revenue can be divided into revenue generated from two types of contracts, as described below:

(a) System sales – 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.

(b) Managed services – 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 managed service contracts are system maintenance and technical support contracts with existing customers of the group.

Financial period ended 30 June 2022

| | Unifiedcomms S\$'000 | GlobeOSS S\$'000 | Captii Ventures S\$'000 | Others S\$'000 | Elimination S\$'000 | Group S\$'000 |
|-----------------------------------|-------------------------|---------------------|----------------------------|-------------------|------------------------|------------------|
| Types of goods or service: | | | | | | |
| -System sales | 574 | 1,364 | - | - | - | 1,938 |
| -Managed service | 6,960 | 1,800 | - | - | - | 8,760 |
| Total revenue | 7,534 | 3,164 | - | - | - | 10,698 |

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

Geographical information:

| | | | | | | |
|-----------------------|--------------|--------------|----------|----------|----------|---------------|
| -South East Asia # | 7,336 | 3,164 | - | - | - | 10,500 |
| -South Asia | 107 | - | - | - | - | 107 |
| -Middle East & Africa | 91 | - | - | - | - | 91 |
| -Others | - | - | - | - | - | - |
| | 7,534 | 3,164 | - | - | - | 10,698 |

(#) South East Asia included

| | | | | | | |
|------------|--------------|--------------|----------|----------|----------|---------------|
| -Singapore | 327 | - | - | - | - | 327 |
| -Malaysia | 6,770 | 2,834 | - | - | - | 9,604 |
| -Others | 239 | 330 | - | - | - | 569 |
| | 7,336 | 3,164 | - | - | - | 10,500 |

Financial period ended 30 June 2021

| | Unifiedcomms S\$'000 | GlobeOSS S\$'000 | Captii Ventures S\$'000 | Others S\$'000 | Elimination S\$'000 | Group S\$'000 |
|-----------------------------------|-------------------------|---------------------|----------------------------|-------------------|------------------------|------------------|
| Types of goods or service: | | | | | | |
| -System sales | 728 | 2,055 | - | - | - | 2,783 |
| -Managed service | 6,569 | 1,564 | - | - | - | 8,133 |
| Total revenue | 7,297 | 3,619 | - | - | - | 10,916 |

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

Geographical information:

| | | | | | | |
|-----------------------|--------------|--------------|----------|----------|----------|---------------|
| -South East Asia # | 7,061 | 3,619 | - | - | - | 10,680 |
| -South Asia | 146 | - | - | - | - | 146 |
| -Middle East & Africa | 90 | - | - | - | - | 90 |
| -Others | - | - | - | - | - | - |
| | 7,297 | 3,619 | - | - | - | 10,916 |

(#) South East Asia included

| | | | | | | |
|------------|--------------|--------------|----------|----------|----------|---------------|
| -Singapore | 249 | - | - | - | - | 249 |
| -Malaysia | 6,523 | 2,924 | - | - | - | 9,447 |
| -Others | 289 | 695 | - | - | - | 984 |
| | 7,061 | 3,619 | - | - | - | 10,680 |

Revenue contribution from a single region is disclosed separately when it exceeds 20% of the group's revenue.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 30 June 2022 and 31 December 2021:

| | Note | Group | | Company | |
|---|------|---------------|---------------|--------------|---------------|
| | | As at | As at | As at | As at |
| | | 30/6/2022 | 31/12/2021 | 30/6/2022 | 31/12/2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial assets | | | | | |
| Financial assets at fair value through profit or loss | 9 | 27,497 | 28,523 | - | - |
| Cash and bank balances and trade and other receivables (Amortised cost) | | 24,237 | 25,207 | 9,853 | 10,591 |
| | | 51,735 | 53,730 | 9,853 | 10,591 |
| Financial liabilities | | | | | |
| Trade and other payables and borrowings (Amortised cost) | | 3,723 | 7,395 | 2,168 | 2,742 |

6. Profit before taxation

| 6.1. Significant items | Group | | Group | |
|---|-----------------------|---------|------------------------|---------|
| | Quarter ended 30 June | | 6 months ended 30 June | |
| | Q2 2022 | Q2 2021 | 2022 | 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Profit before income tax is stated after (charging)/crediting the following items: | | | | |
| Fair value loss on unquoted investments | (156) | (339) | (21) | (236) |
| Foreign exchange (loss)/gain, net | 134 | (50) | 108 | 128 |
| Amortisation of intangible assets | (61) | (84) | (131) | (174) |
| Depreciation of plant and equipment | (130) | (158) | (273) | (317) |
| Depreciation of right-of-use assets | (87) | (85) | (175) | (171) |

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | Group | | Group | |
|---|-----------------------|--------------|------------------------|--------------|
| | Quarter ended 30 June | | 6 months ended 30 June | |
| | Q2 2022 | Q2 2021 | 2022 | 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Components of tax expense recognised in profit and loss include: | | | | |
| Current tax expenses | (94) | (153) | (190) | (308) |
| Overseas withholding tax expenses | (26) | (19) | (39) | (38) |
| Total income tax expenses | (120) | (172) | (229) | (346) |

8. Net asset value

| | As at 30/6/2022 | As at 31/12/2021 | As at 30/6/2022 | As at 31/12/2021 |
|---|-----------------|------------------|-----------------|------------------|
| | Group cents | Group cents | Company cents | Company cents |
| Net asset value per ordinary share ⁽¹⁾ | 164.56 | 162.63 | 132.94 | 133.46 |

⁽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 year and the existing issued share capital of 31,957,264 shares.

9. Other financial assets

Financial assets at fair value through profit or loss comprise the following:

| | Group | |
|---|-----------|------------|
| | As at | As at |
| | 30/6/2022 | 31/12/2021 |
| | S\$'000 | S\$'000 |
| Balance is made up of: | | |
| Unquoted investments at fair value through profit or loss | 27,497 | 28,523 |

9.1. Fair value measurement

The group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

For fair value measurements (Level 3) recognised in the statement of financial position, the group adopted the following valuation methodologies in estimating the fair values of the investments:

- Cost approach;
- Option Pricing Model; and
- Implied Enterprise Value

The group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

The following table presented the assets measured at fair value:

| | Level | Group | |
|---|-------|---------------|---------------|
| | | As at | As at |
| | | 30/6/2022 | 31/12/2021 |
| | | S\$'000 | S\$'000 |
| Enterprise application technology | | | |
| Unquoted convertible preference shares in Singapore | 3 | 1,920 | 2,031 |
| Unquoted convertible loan notes in Singapore | 3 | 8,248 | 8,240 |
| Unquoted convertible preference shares in Malaysia | 3 | 443 | 1,992 |
| Unquoted convertible preference shares in Indonesia | 3 | 3,153 | 3,131 |
| Marketplace technology | | | |
| Unquoted convertible preference shares in Singapore | 3 | 662 | 625 |
| Unquoted convertible loan notes in Vietnam | 3 | 13,062 | 12,495 |
| Unquoted convertible preference shares in Korea | 3 | 9 | 9 |
| Total other financial assets | | 27,497 | 28,523 |

10. Intangible assets

| | Group | | | |
|---|----------------------------|-----------------------|--------------|---------------|
| | Deferred development costs | Intellectual property | Goodwill | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 31 December 2021 | | | | |
| Cost | 9,329 | 17 | 10,383 | 19,729 |
| Accumulated amortisation and impairment | (8,575) | (17) | (492) | (9,084) |
| Net book amount | 754 | - | 9,891 | 10,645 |
| 6 months ended 30 June 2022 | | | | |
| Opening net book amount | 754 | - | 9,891 | 10,645 |
| Additions | 177 | - | - | 177 |
| Amortisation charge | (131) | - | - | (131) |
| Foreign exchange adjustments | (36) | - | (254) | (290) |
| Closing net book amount | 764 | - | 9,637 | 10,401 |
| At 30 June 2022 | | | | |
| Cost | 9,267 | 17 | 10,116 | 19,400 |
| Accumulated amortisation and impairment | (8,503) | (17) | (479) | (8,999) |
| Net book amount | 764 | - | 9,637 | 10,401 |

10.1 Deferred development costs

Deferred development costs mainly comprise staff costs, operating expenses and depreciation expenses for the development of the group's proprietary software and these have an average remaining amortisation period of 2 years (2021: 2 years).

10.2 Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

10.3 Goodwill

Goodwill acquired through business combination has been allocated to its subsidiaries, Unified Communications Pte Ltd, Postpay Asia Sdn Bhd, Postpay Sdn Bhd, Postpay Technology Sdn Bhd, Adzentrum Sdn Bhd, Unified Communications (Private) Limited and Ahead Mobile Sdn Bhd for the purpose of impairment testing. The carrying amount is disclosed above.

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 recoverable amount of the CGU has been measured based on the value-in-use method.

The value-in-use was determined by management using discounted cash flows to be generated from the continuing use of the CGU. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 goodwill impairment test, and was based on the following key assumptions:

| Unobservable inputs | As at | As at |
|--|-----------|------------|
| | 30/6/2022 | 31/12/2021 |
| Estimated discount rates that reflect current market assessments at the risks specific to the CGU | 10.37% | 10.37% |
| Growth rates based on management estimate forecasts and not exceeding the average long-term growth rate for the relevant markets | 2% | 2% |
| Cash flow forecasts derived from the most recent financial budgets and plans approved by management | 5 Years | 5 Years |

The value-in-use is a recurring fair value measurement (Level 3).

Management also performed sensitivity analysis over the key inputs above and noted that no reasonably possible change in any of these inputs would cause the recoverable amount of the CGU to fall below its carrying amount.

11. Plant and equipment

| | Group | | | |
|---|---|---|---------------------|--------------|
| | Computers, telecommunications, research and development equipment | Office equipment, furniture, motor vehicle and renovation | Right-of-use assets | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 31 December 2021 | | | | |
| Cost | 9,418 | 247 | 1,288 | 10,953 |
| Accumulated amortisation and impairment | (8,503) | (95) | (544) | (9,142) |
| Net book amount | 915 | 152 | 744 | 1,811 |
| 6 months ended 30 June 2022 | | | | |
| Opening net book amount | 915 | 152 | 744 | 1,811 |
| Additions | 111 | 5 | - | 116 |
| Depreciation charge | (238) | (35) | (175) | (448) |
| Foreign exchange adjustments | (22) | (4) | (22) | (48) |
| Closing net book amount | 766 | 118 | 547 | 1,431 |
| At 30 June 2022 | | | | |
| Cost | 9,280 | 234 | 1,266 | 10,780 |
| Accumulated depreciation and impairment | (8,514) | (116) | (719) | (9,349) |
| Net book amount | 766 | 118 | 547 | 1,431 |

During the financial period ended 30 June 2022, the group acquired assets amounting to S\$116,000 (30 June 2021: S\$90,000).

12. Investment property

The group's investment property represents a commercial property, held for long-term rental yield and/or capital appreciation and is not substantially occupied by the group.

| | Group | |
|--|-----------------|------------------|
| | As at 30/6/2022 | As at 31/12/2021 |
| | S\$'000 | S\$'000 |
| Cost | | |
| Beginning of financial year | 2,567 | 2,611 |
| Currency translation differences | (66) | (44) |
| End of financial period/year | 2,501 | 2,567 |
| Fair value loss movement | | |
| Beginning of financial year | 430 | 305 |
| Impairment loss during the financial period/year | - | 130 |
| Currency translation differences | (11) | (5) |
| End of financial period/year | 419 | 430 |
| Net book value | 2,082 | 2,137 |

12.1 Valuation

The fair value of the investment property was measured at the end of every year based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by an external, independent and qualified professional valuer. There has been no change to the valuation technique during the year.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows

| | |
|---|--|
| Valuation technique for recurring fair value measurements | Comparison with market evidence of recent transaction prices for similar properties. |
| Significant observable inputs | Price per square foot. S\$265 |
| Sensitivity on management's estimates – 10% variation from estimate | Impact – lower by S\$214,000; higher by S\$214,000 |

13. Borrowings

| | Group | |
|--|-----------|------------|
| | As at | As at |
| | 30/6/2022 | 31/12/2021 |
| | S\$'000 | S\$'000 |
| Amount repayable within one year or on demand | | |
| Secured | 61 | 274 |
| Unsecured | - | - |
| Amount repayable after one year | | |
| Secured | - | - |
| Unsecured | - | - |

Details of any collateral

The company has issued financial guarantee to the financial institutions for the following facilities granted to the group's subsidiaries:-

- 1) A facility with outstanding amount of S\$61,000 (2021: S\$274,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$2,839,000 (2021: S\$2,922,000);
- 2) A facility with outstanding amount of Nil (2021: Nil), that is secured by fixed deposits of the subsidiary amounting to approximately S\$2,302,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,287,000 (2021: S\$1,325,000); and
- 3) A facility with outstanding amount of Nil (2021: S\$117,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$1,262,000 (2021: S\$1,299,000).

As at the end of the financial period/year, the outstanding facilities covered by the guarantee were S\$61,000 (2021: S\$274,000).

14. Share Capital

| | 30/6/2022 | | 31/12/2021 | |
|---|------------------|---------|------------------|---------|
| | Number of shares | Amount | Number of shares | Amount |
| | 000 | S\$'000 | 000 | S\$'000 |
| Group and Company | | | | |
| Ordinary shares of no par value: | | | | |
| Balance at beginning and end of the period/year | 31,957 | 31,948 | 31,957 | 31,948 |

The company did not hold any treasury shares as at 30 June 2022.

The company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

15. Expected credit loss allowance on receivables

There has been no change to the expected credit losses approach and assumptions as compared to previous financial year. As at 30 June 2022. No significant loss allowance was provided for the reporting period.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION

1. Review

The condensed interim consolidated statement of financial position of Captii Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial period ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2.1 Review of performance of the Group for the second quarter ended 30 June 2022 as compared to corresponding quarter ended 30 June 2021

Group Revenue

The group recorded consolidated revenue of S\$5.354 million for the quarter ended 30 June 2022 ("Q2 2022"), a 3.6% decrease against the revenue recorded in the corresponding quarter ended 30 June 2021 ("Q2 2021"). The decline in group revenue for Q2 2022 is attributable to lower revenue recorded by GlobeOSS.

GlobeOSS recorded revenue of S\$1.49 million in Q2 2022, a decrease of 17.6% from the S\$1.808 million recorded in Q2 2021. This decline in revenue was due to lower revenue from system sale contracts.

In contrast, Unifiedcomms posted revenue of S\$3.864 million in Q2 2022, a slight increase of 3.1% from the S\$3.747 million recorded in Q2 2021. This improvement in revenue was mainly contributed by higher revenue from managed service contracts.

The group's sales mix in Q2 2022 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 79.9% of the group's total revenue in Q2 2022 as compared to 74.5% in Q2 2021. The higher contribution of managed service contracts to the group's sales mix in Q2 2022 was mainly attributable to a 24% drop in system sale contract revenues of GlobeOSS from S\$1.416 million in Q2 2021 to S\$1.076 million in Q2 2022.

Group gross profit and gross profit margins

The group posted gross profit of S\$2.66 million in Q2 2022, a marginal decrease of 3.4% from the S\$2.753 million recorded in Q2 2021. This decrease in group gross profit for Q2 2022 is due to the flow-down effect of lower group revenue. The impact of lower revenue was partly mitigated by the slightly higher gross profit margin of the group.

The group recorded gross profit margin on its system sales contract revenues of 73.3% in Q2 2022, higher against the 71.3% recorded in Q2 2021. This improvement in system sale contract was contributed by the lower proportionate contribution of system sale contract revenues by GlobeOSS, which generally yield lower gross profit margin as a result of its typically higher third party costs.

The group's gross profit margin on managed service contract revenues in Q2 2022 increased from 42.1% in Q2 2021 to 43.7%. This increase in managed service contract was contributed by the higher proportionate contribution of managed service contract revenues by Unifiedcomms, which generally yield higher gross profit margin as a result of its typically lower third party costs.

Interest income

The group recorded slightly lower interest income of S\$0.03 million in Q2 2022 as compared to S\$0.031 million earned in Q2 2021.

Other gains and other item of expense

The group recorded net total expenses of S\$2.009 million in Q2 2022, 14.6% lower than the S\$2.353 million incurred in Q2 2021. This is mainly attributable to:-

- * Lower fair value loss of S\$0.156 assessed on the group's venture investment portfolio in the current quarter as compared to fair value loss of S\$0.339 million recorded in Q2 2021;
- * A foreign exchange gain of S\$0.134 million in current quarter as a result of an favourable exchange movement of USD against SGD in Q2 2022. In contrast, a foreign exchange loss of S\$0.05 million was recorded in Q2 2021, due to unfavourable exchange movements of PKR against SGD; and
- * Lower technical support expenses recorded in Q2 2022, due to higher capitalisation effort in Q2 2022 on product development.

The above improvement was partly offset by higher administrative expenses recorded in Q2 2022, in relation to increase in corporate personnel cost.

Net profit/(loss) and EBITDA

The group recorded net profit of S\$0.561 million and EBITDA of S\$0.94 million in Q2 2022, as compared to S\$0.259 million in net profit and S\$0.753 million in EBITDA in Q2 2021. The higher net profit and EBITDA recorded in Q2 2022 was due to the flow-down effects lower net total expenses recorded in Q2 2022, partly offset by lower revenue.

2. Review of performance of the Group (continued)

2.1 Review of performance of the Group for the second quarter ended 30 June 2022 as compared to corresponding quarter ended 30 June 2021 (continued)

Detailed Segmental Breakdown of Group revenue and gross profit

The detailed segmental breakdown of the Group's revenue and gross profit for Q2 2022, together with comparative results for Q2 2021 is provided below:

Table 2.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 June

| | Q2 2022 S\$'000 | Sales mix % | Q2 2021 S\$'000 | Sales mix % |
|-----------------|--------------------|----------------|--------------------|----------------|
| Unifiedcomms | 3,864 | 72.2 | 3,747 | 67.5 |
| GlobeOSS | 1,490 | 27.8 | 1,808 | 32.5 |
| Captii Ventures | - | - | - | - |
| Others | - | - | - | - |
| Total | 5,354 | 100.0 | 5,555 | 100.0 |

Table 2.2: Group consolidated revenue as analysed by contract type for the quarter ended 30 June

| External Sales | Q2 2022 | | | Q2 2021 | | |
|------------------|--------------------|------------------------|-------|--------------------|------------------------|-------|
| | System Sale (1) | Managed Service (2) | Group | System Sale (1) | Managed Service (2) | Group |
| Revenue | 1,076 | 4,278 | 5,354 | 1,416 | 4,139 | 5,555 |
| Gross Profit | 789 | 1,871 | 2,660 | 1,009 | 1,744 | 2,753 |
| Gross Profit (%) | 73.3% | 43.7% | 49.7% | 71.3% | 42.1% | 49.6% |

Table 2.3: Group net total expenses for the quarter ended 30 June

| | Group | |
|----------------------------|--------------------|--------------------|
| | Q2 2022 S\$'000 | Q2 2021 S\$'000 |
| Other gains | 36 | (150) |
| Technical support expenses | (990) | (1,072) |
| Distribution costs | (313) | (316) |
| Administrative expenses | (739) | (550) |
| Other losses | 8 | (239) |
| Finance cost | (11) | (26) |
| Net total expenses | (2,009) | (2,353) |

2. Review of performance of the Group (continued)

2.2 Review of performance of the group for the six months ended 30 June 2022 as compared to corresponding financial period ended 30 June 2021

Group revenue

The group recorded consolidated revenue of S\$10.698 million for the six month ended 30 June 2022 ("6M 2022"), a 2% decrease against the revenue recorded in the corresponding period ended 30 June 2021 ("6M 2021"). The decline in group revenue for 6M 2022 is attributable to lower revenue recorded by GlobeOSS.

GlobeOSS recorded revenue of S\$3.164 million in 6M 2022, a decrease of 12.6% from the S\$3.619 million recorded in 6M 2021. This decline in revenue was due to lower revenue from system sale contracts.

In contrast, Unifiedcomms posted revenue of S\$7.534 million in 6M 2022, a slight increase of 3.2% from the S\$7.297 million recorded in 6M 2021. This improvement in revenue was mainly contributed by higher revenue from managed service contracts.

The group's sales mix in 6M 2022 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 81.9% of the group's total revenue in 6M 2022 as compared to 74.5% in 6M 2021. The higher contribution of managed service contracts to the group's sales mix in 6M 2022 was mainly attributable to a 30.3% drop in system sale contract revenues of both GlobeOSS and Unifiedcomms from S\$2.783 million in 6M 2021 to S\$1.938 million in 6M 2022.

Gross profit and gross profit margins

With the lower revenue recorded in 6M 2022, the group recorded lower gross profit of S\$5.159 million, a decrease of 5.8% from the S\$5.476 million realised in 6M 2021. In addition, gross profit margin declined from 50.2% in 6M 2021 to 48.2% in 6M 2022.

The decrease in group gross profit margin is mainly attributable to the lower gross profit margin recorded on the group's managed service contract revenues, which decreased to 43.3% in 6M 2022 from 43.7% in 6M 2021. This decrease in gross profit margin was mainly due to lower proportionate contribution of managed service contract revenues by Unifiedcomms, which generally yield higher gross profit margin as a result of its typically lower party costs.

The impact from the above managed service contracts was partly mitigated by the increased gross profit margin on system sales contract revenues of 70.6% in 6M 2022, higher against the 69% recorded in 6M 2021. This improvement in system sale contract was contributed by the lower proportionate contribution of system sale contract revenues by GlobeOSS, which generally yield lower gross profit margin as a result of its typically higher third party costs.

Interest income

The group recorded slightly lower interest income of S\$0.063 million in 6M 2022 as compared to S\$0.066 million earned in 6M 2021.

Other gains and other item of expense

The group recorded net total expenses of S\$3.9 million in 6M 2022, 6.1% lower than the S\$4.154 million incurred in 6M 2021. This is mainly attributable to the:-

- * Lower fair value loss of S\$0.021 assessed on the group's venture investment portfolio in the current period as compared to fair value loss of S\$0.236 million recorded in 6M 2021;
- * Lower technical support expenses recorded in 6M 2022, due to higher capitalisation effort in 6M 2022 on product development; and
- * Lower depreciation of plant and equipment and lower amortisation of intellectual property in 6M 2022, as a result of certain plant and equipments and intellectual properties having reached the end of their estimated useful lives in 6M 2022.

The above improvement was partly offset by higher administrative expenses recorded in 6M 2022, in relation to increase in corporate personnel cost.

Net profit and EBITDA

The group recorded net profit of S\$1.093 million and EBITDA of S\$1.864 million in 6M 2022, as compared to S\$1.042 million in net profit and S\$2.039 million in EBITDA in 6M 2021. The higher net profit recorded in 6M 2022 was due to the flow-down effects of the lower net total expenses recorded in 6M 2022, partly offset by lower revenue and lower gross profit margin.

Although the group achieved higher net profit in 6M 2022, EBITDA was lower against what was recorded in 6M 2021. This was mainly due to the exclusion of lower non-cash expenses – depreciation and amortisation as mentioned above.

2. Review of performance of the group (continued)

2.2 Review of performance of the group for the six months ended 30 June 2022 as compared to corresponding financial period ended 30 June 2021 (continued)

Detailed segmental breakdown of group revenue and gross profit

The detailed segmental breakdown of the group's revenue and gross profit for 6M 2022, together with comparative results for 6M 2021 is provided below:

Table 2.4: Group revenue as analysed by business unit for the six months ended 30 June

| | 2022 S\$'000 | Sales mix % | 2021 S\$'000 | Sales mix % |
|-----------------|-----------------|----------------|-----------------|----------------|
| Unifiedcomms | 7,534 | 70.4 | 7,297 | 66.8 |
| GlobeOSS | 3,164 | 29.6 | 3,619 | 33.2 |
| Captii Ventures | - | - | - | - |
| Others | - | - | - | - |
| Total | 10,698 | 100.0 | 10,916 | 100.0 |

Table 2.5: Group revenue as analysed by contract type for the six months ended 30 June

| External sales | 2022 | | | 2021 | | |
|------------------|--------------------|------------------------|--------|--------------------|------------------------|--------|
| | System sale (1) | Managed service (2) | Group | System sale (1) | Managed service (2) | Group |
| Revenue | 1,938 | 8,760 | 10,698 | 2,783 | 8,133 | 10,916 |
| Gross profit | 1,368 | 3,791 | 5,159 | 1,921 | 3,555 | 5,476 |
| Gross profit (%) | 70.6% | 43.3% | 48.2% | 69.0% | 43.7% | 50.2% |

Table 2.6: Group net total expenses for the six months ended 30 June

| | Group | |
|----------------------------|-----------------|-----------------|
| | 2022 S\$'000 | 2021 S\$'000 |
| Other gains | 172 | 143 |
| Technical support expenses | (2,002) | (2,235) |
| Distribution costs | (698) | (685) |
| Administrative expenses | (1,322) | (1,080) |
| Other losses | (24) | (242) |
| Finance cost | (26) | (55) |
| Net total expenses | (3,900) | (4,154) |

2. Review of performance of the group (continued)

2.3 Review of the group's financial position as at 30 June 2022 as compared to the group's financial position as at 31 December 2021

Non-cash current assets of the group decreased from S\$13.405 million as at 31 December 2021 to S\$12.088 million as at 30 June 2022. This 9.8% decrease in non-cash current assets was mainly due to the decrease in trade and other receivables as a result of lower revenue recorded and collections.

Total non-current assets of the group decreased from S\$44.141 million as at 31 December 2021 to S\$42.422 million as at 30 June 2022. This slight decrease of 3.9% in non-current assets is attributable to the decrease in venture investments of the group, following the disposal of one venture investment in the reporting period.

Total liabilities of the group decreased from S\$8.65 million as at 31 December 2021 to S\$4.964 million as at 30 June 2022. This 42.6% decrease in total liabilities is attributable to the decrease in trade and other payables following repayments made in the reporting period.

2.4 Review of the group's cash flow for the quarter and six months ended 30 June 2022 as compared to the corresponding period ended 30 June 2021

The group's net cash flow from operations for Q2 2022 was S\$0.643 million, as compared to S\$1.283 million for Q2 2021, a decrease of 49.9%. This decrease was primarily due to the unfavourable change in working capital of S\$0.453 million for Q2 2022, in contrast with the favourable change in working capital of S\$0.191 million for Q2 2021. This was mainly due to higher repayment to the trade and other payables in Q2 2022 as compared to Q2 2021.

The group's net cash flow from operations for 6M 2022 was S\$0.034 million, as compared to S\$1.909 million for 6M 2021, a significant decrease of 98.2%. This significant decrease was primarily due to a higher working capital incurred of S\$1.851 million for 6M 2022, as compared to S\$0.366 million for 6M 2021, as a result of higher repayment to the trade and other payables in 6M 2022 as compared to 6M 2021.

The group's net cash flow used in investing activities for Q2 2022 was S\$0.173 million, as compared to S\$0.076 million for Q2 2021. The higher net cash used in investing activities was mainly due to the higher volume of venture investments in Q2 2022, as compared to Q2 2021.

The group's net cash flow from investing activities for 6M 2022 was S\$1.253 million, in contrast with the net cash flow used in investing activities of S\$0.197 million in 6M 2021. This was primarily due to proceeds received from the disposal of a venture investment in the current period.

The group's net cash flow used in financing activities for Q2 2022 and 6M 2022 was flat against what was recorded in Q2 2021 and 6M 2021.

3. 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.

4. 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 COVID-19 pandemic continues to affect many countries in our group's regions of focus, although many territories have relaxed movement and travel restrictions. The uncertainty of economic recovery from the shock caused by COVID-19 and the prospect of another economic slowdown or a slow recovery, especially in the group's regions of focus, have weighed on the minds of management and the directors of the group when considering the outlook for the remainder of the financial year.

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. This is because these businesses operate primarily in the field of telecommunications, an essential service in any economy today. In addition, Unifiedcomms and GlobeOSS businesses have been made capable of fully-functioning under a work-from-home mode of operation, well ahead of movement control restrictions or lockdown orders being enforced. The group's primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout COVID-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and management of the group are hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough. Some managed service contracts of the group which have been impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, the group's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by COVID-19. On a more positive note, the group had in the current quarter successfully materialised certain unrealised fair value gains recorded in prior years by disposing one venture investment. As a result of this exit, disposal proceeds of S\$1.5m were received and are reflected in the consolidated statement of cash flows for the current quarter. Moreover, a number of other investees in the portfolio continued to grow strongly through the period under review, and contributed to the improvement in value of the overall venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the group remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of COVID-19 on the group financial performance. Management of the group continues to take an active and measured approach to managing risks to protect the group's people and assets, and will sustain these efforts until the effects of the lingering pandemic abate.

5. Dividend information

5a. Current Financial Period 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) | 1.25 Singapore Cents per ordinary share |
| Tax Rate | Tax-exempt (one-tier) |

5b. Corresponding Period of the Immediate 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) | 1.25 Singapore Cents per ordinary share |
| Tax Rate | Tax-exempt (one-tier) |

5c. Date Payable

To be announced at a later date

5d. Books Closure Date

To be announced at a later date

6. Interested person transactions

| Name of the Interested Person | Nature of relationship | Aggregate value of all interested person transactions during the financial period 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 | |
| | | 2022 S\$'000 | 2021 S\$'000 | 2022 S\$'000 | 2021 S\$'000 |
| Temasya House Sdn Bhd | A subsidiary of Advance Synergy Realty Sdn. Bhd. (a subsidiary of Advance Synergy Berhad, the group's ultimate holding corporation) | 107 | - | Nil | Nil |

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

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the board of directors of the company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the company which may render the financial statements for the financial period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the board of directors

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Executive Director

Singapore
10 August 2022