

Condensed financial statements
for the full year ended 31 December 2022

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

	Note	Group	
		12 months ended 31 December	
		2022	2021
		S\$'000	S\$'000
Revenue	4	23,249	23,871
Cost of sales		(11,947)	(12,241)
Gross profit		11,302	11,630
Other items of income:			
Interest Income		171	160
Other gains		59	8,201
Other items of expense:			
Technical support expenses		(4,548)	(4,868)
Distribution costs		(1,201)	(1,206)
Administrative expenses		(3,272)	(3,280)
Other losses		(4,994)	(170)
Finance costs		(44)	(108)
(Loss)/Profit before income tax	6	(2,527)	10,359
Income tax expenses	7	(717)	(848)
(Loss)/Profit, net of tax		(3,244)	9,511
(Loss)/Profit, net of tax attributable to:			
Owners of the company		(3,508)	9,075
Non-controlling interests		264	436
(Loss)/Profit, net of tax		(3,244)	9,511

Other comprehensive (loss)/income

	Note	Group	
		12 months ended 31 December	
		2022	2021
		S\$'000	S\$'000
(Loss)/Profit, net of tax		(3,244)	9,511
Other comprehensive (loss)/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)		(1,985)	(560)
Total other comprehensive (loss)/income for the financial year		(5,229)	8,951
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(5,250)	8,588
Non-Controlling interest		21	363
Total other comprehensive (loss)/income for the financial year		(5,229)	8,951
Earnings per share for (loss)/profit for the year attributable to the owners of the Company during the financial year:		cents	cents
Basic and diluted earnings per share		(10.98)	28.40

B. Condensed statements of financial position

	Note	Group	Group	Company	Company
		As at	As at	As at	As at
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-Current Assets					
Plant and equipment	12	1,205	1,811	-	-
Investment property	13	2,010	2,137	-	-
Intangible assets	11	7,344	10,645	-	-
Investments in subsidiaries		-	-	26,366	34,778
Other financial assets	10	23,898	28,523	-	-
Deferred tax assets		804	1,025	-	-
Total non-current assets		35,261	44,141	26,366	34,778
Current assets					
Inventories		5	4	-	-
Trade and other receivables		11,246	11,384	8,425	10,450
Other non-financial assets		3,399	2,017	47	28
Cash and cash equivalents		13,223	13,823	1,202	141
Total current assets		27,873	27,228	9,674	10,619
Total assets		63,134	71,369	36,040	45,397
EQUITY AND LIABILITIES					
Equity					
Share capital	15	31,948	31,948	31,948	31,948
Retained earnings		24,765	28,672	1,962	10,701
Foreign currency translation reserve		(10,390)	(8,648)	-	-
Equity, attributable to owners of the parent		46,323	51,972	33,910	42,649
Non-controlling interest		10,384	10,747	-	-
Total equity		56,707	62,719	33,910	42,649
Non-current liabilities					
Lease liabilities		176	417	-	-
Total non-current liabilities		176	417	-	-
Current liabilities					
Income tax payables		253	548	5	6
Trade and other payables		4,321	6,362	2,125	2,742
Other non-financial liabilities		479	707	-	-
Lease liabilities		301	342	-	-
Borrowings	14	897	274	-	-
Total current liabilities		6,251	8,233	2,130	2,748
Total liabilities		6,427	8,650	2,130	2,748
Total equity and liabilities		63,134	71,369	36,040	45,397

C. Condensed statements of changes in equity

Statements of changes in equity for the year ended 31 December 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 year:							
Group							
Opening balance at 1 January 2022		62,719	51,972	31,948	28,672	(8,648)	10,747
Total comprehensive income/(loss) for the financial year		(5,229)	(5,250)	-	(3,508)	(1,742)	21
Dividend Paid		(783)	(399)	-	(399)	-	(384)
Closing balance at 31 December 2022		56,707	46,323	31,948	24,765	(10,390)	10,384
Company							
Opening balance at 1 January 2022		42,649	42,649	31,948	10,701	-	-
Total comprehensive loss for the financial year		(8,340)	(8,340)	-	(8,340)	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 31 December 2022		33,910	33,910	31,948	1,962	-	-

Statements of changes in equity for the year ended 31 December 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 year:							
Group							
Opening balance at 1 January 2021		48,960	43,783	31,948	19,996	(8,161)	5,177
Total comprehensive income/(loss) for the financial year		8,951	8,588	-	9,075	(487)	363
Dividend paid		(559)	(399)	-	(399)	-	(160)
Acquisition of subsidiary		5,367	-	-	-	-	5,367
Closing balance at 31 December 2021		62,719	51,972	31,948	28,672	(8,648)	10,747
Company							
Opening balance at 1 January 2021		41,944	41,944	31,948	9,996	-	-
Total comprehensive income for the financial year		1,104	1,104	-	1,104	-	-
Dividend paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 31 December 2021		42,649	42,649	31,948	10,701	-	-

D. Condensed consolidated statement of cash flows

	Note	Group	
		12 months ended 31 December	
		2022	2021
		S\$'000	S\$'000
Operating activities:			
(Loss)/Profit Before Income Tax		(2,527)	10,359
Adjustments for:			
Amortisation of intangible assets	6	245	297
Depreciation of plant and equipment	6	461	531
Depreciation of right-of-use assets	6	347	352
Plant and equipment written-off	6	-	1
Negative goodwill arising on step-up of interest in an associate to subsidiary	6	-	(1,620)
Fair value gain on remeasurement of the group's previously held interest in an associate	6	-	(4,442)
Fair value loss/ (gain) on unquoted investments	6	2,074	(1,991)
Impairment loss on investment property	6	-	130
Impairment loss on plant and equipment	6	15	-
Impairment loss on goodwill	6	2,800	-
Interest expense		44	108
Interest income		(171)	(160)
Operating cash flow before changes in working capital		3,288	3,565
Inventories		1	-
Trade and other receivables		140	(2,468)
Other non-financial assets		(1,382)	484
Trade and other payables		(2,007)	2,576
Other non-financial liabilities		(227)	(484)
Net cash flows (used in)/from operations		(187)	3,673
Income tax paid		(841)	(584)
Net cash flows (used in)/from operating activities		(1,028)	3,089
Cash flows from investing activities:			
Purchase of plant and equipment		(218)	(185)
Proceeds from disposal of investment		2,455	148
Other financial assets		(50)	(300)
Payment for development costs		(337)	(187)
Interest income received		171	160
Net cash flows from/(used in) investing activities		2,021	(364)
Cash flows from financing activities:			
Dividend paid to non-controlling interests of subsidiary		(384)	(160)
Dividend paid to equity owners	8	(399)	(399)
Cash restricted in use		(38)	(36)
Proceeds from interest bearing borrowings		897	-
Repayment of interest bearing borrowings		(257)	(565)
Lease liabilities principal portion paid		(380)	(332)
Interest expenses paid		(44)	(108)
Net cash flows used in financing activities		(605)	(1,600)
Net change in cash and cash equivalents		388	1,125
Cash and cash equivalents at beginning of the financial year (Note 1)		11,332	10,536
Effect of exchange rate changes on cash and cash equivalents		(889)	(329)
Cash and cash equivalents at end of the financial year (Note 1)		10,831	11,332

Explanatory Notes:

Note 1

	Group	
	12 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	13,223	13,823
Less: Restricted deposits	(2,392)	(2,491)
Cash and cash equivalents per consolidated statement of cash flows	10,831	11,332

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 consolidated financial statements as at and for the financial year ended 31 December 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 year ended 31 December 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 13 – 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 10 – fair value of unquoted investments
- * Note 11 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- * Note 13 – 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 year ended 31 December 2022

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	14,935	8,314	-	-	-	23,249
-inter-segment	-	539	-	652	(1,191)	-
Revenue from external parties	14,935	8,853	-	652	(1,191)	23,249
Cost of sales	(8,073)	(4,426)	-	(56)	608	(11,947)
Gross profit	6,862	4,427	-	596	(583)	11,302
Other items of income:						
Interest income	69	102	-	-	-	171
Other gains	170	9	61	259	(440)	59
Other item of expenses:						
Technical support expenses	(2,374)	(2,137)	-	(66)	29	(4,548)
Distribution costs	(410)	(799)	-	-	8	(1,201)
Administrative expenses	(2,024)	(602)	(423)	(1,007)	784	(3,272)
Other losses	(3,121)	(3)	(2,145)	(8,413)	8,688	(4,994)
Finance costs	(31)	(13)	(0)	-	-	(44)
Profit/(Loss) before income tax	(859)	984	(2,507)	(8,631)	8,486	(2,527)
Income tax expenses	(541)	(142)	1	(35)	-	(717)
Profit/(Loss), net of tax	(1,400)	842	(2,506)	(8,666)	8,486	(3,244)
Profit/(Loss) for the year attributable to:						
Owners of the company	(1,400)	429	(2,357)	(8,666)	8,486	(3,508)
Non-controlling interest	-	413	(149)	-	-	264
Profit/(Loss) for the year	(1,400)	842	(2,506)	(8,666)	8,486	(3,244)
Other information						
Impairment loss on plant and equipment	(15)	-	-	-	-	(15)
Impairment loss on receivables	(7)	-	-	-	-	(7)
Impairment loss on goodwill	(2,800)	-	-	-	-	(2,800)
Impairment loss on investment in subsidiary	-	-	-	(8,412)	8,412	-
Depreciation of plant and equipment	(398)	(90)	-	(2)	29	(461)
Depreciation of right-of-use assets	(252)	(95)	-	-	-	(347)
Amortisation of intangible assets	(601)	-	-	-	356	(245)
Fair value loss on unquoted investments	-	-	(2,074)	-	-	(2,074)
Other segment items						
Capital expenditure						
- Plant and equipment	195	23	-	-	-	218
- Development costs	337	-	-	-	-	337
Financial year ended 31 December 2022						
Segment assets	26,883	14,729	23,949	42,110	(45,341)	62,330
Unallocated assets						804
Consolidated total assets						63,134
Segment liabilities	6,917	3,022	10,028	4,277	(17,817)	6,427
Consolidated total liabilities						6,427

4.1 Reportable segments (continued)

Financial year ended 31 December 2021

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	15,196	8,675	-	-	-	23,871
-inter-segment	-	546	-	590	(1,136)	-
	15,196	9,221	-	590	(1,136)	23,871
Cost of sales	(8,069)	(4,781)	-	(57)	666	(12,241)
Gross profit	7,127	4,440	-	533	(470)	11,630
Other items of income:						
Interest income	49	111	-	-	-	160
Other gains	233	10	8,165	128	(335)	8,201
Other item of expenses:						
Technical support expenses	(2,765)	(2,041)	-	(62)	-	(4,868)
Distribution costs	(480)	(733)	-	-	7	(1,206)
Administrative expenses	(1,997)	(552)	(481)	(1,067)	817	(3,280)
Other losses	(120)	(22)	(1)	(131)	104	(170)
Finance costs	(81)	(16)	(11)	-	-	(108)
Profit/(Loss) before income tax	1,966	1,197	7,672	(599)	123	10,359
Income tax expenses	(589)	(259)	(4)	4	-	(848)
Profit/(Loss), net of tax	1,377	938	7,668	(595)	123	9,511
Profit/(Loss) for the period attributable to:						
Owners of the company	1,377	477	7,693	(595)	123	9,075
Non-controlling interest	-	461	(25)	-	-	436
Profit/(Loss) for the period	1,377	938	7,668	(595)	123	9,511
Other information						
Depreciation of plant and equipment	(475)	(98)	-	(2)	44	(531)
Depreciation of right-of-use assets	(258)	(94)	-	-	-	(352)
Amortisation of intangible assets	(674)	-	-	-	377	(297)
Impairment loss on receivables	(10)	-	-	-	-	(10)
Negative goodwill arising on step-up of interest in an associate to subsidiary	-	-	1,620	-	-	1,620
Fair value gain on remeasurement of the group's previously held interest in an	-	-	4,442	-	-	4,442
Fair value gain on unquoted investments	-	-	1,991	-	-	1,991
Other segment items						
Capital expenditure						
- Plant and equipment	178	7	-	-	-	185
- Development costs	187	-	-	-	-	187

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 year ended 31 December 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	1,027	5,236	-	-	-	6,263
-Managed service	13,908	3,078	-	-	-	16,986
Total revenue	14,935	8,314	-	-	-	23,249

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 #	14,562	8,314	-	-	-	22,876
-South Asia	175	-	-	-	-	175
-Middle East & Africa	198	-	-	-	-	198
-Others	-	-	-	-	-	-
	14,935	8,314	-	-	-	23,249

(#) South East Asia included

-Singapore	587	-	-	-	-	587
-Malaysia	13,464	7,038	-	-	-	20,502
-Others	511	1,276	-	-	-	1,787
	14,562	8,314	-	-	-	22,876

Financial year ended 31 December 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	1,463	5,537	-	-	-	7,000
-Managed service	13,733	3,138	-	-	-	16,871
Total revenue	15,196	8,675	-	-	-	23,871

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 #	14,704	8,675	-	-	-	23,379
-South Asia	273	-	-	-	-	273
-Middle East & Africa	219	-	-	-	-	219
-Others	-	-	-	-	-	-
	15,196	8,675	-	-	-	23,871

(#) South East Asia included

-Singapore	573	-	-	-	-	573
-Malaysia	13,591	6,933	-	-	-	20,524
-Others	540	1,742	-	-	-	2,282
	14,704	8,675	-	-	-	23,379

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

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

Unifiedcomms recorded a higher loss after tax in 2022, in contrast with the profit after tax in 2021. This was mainly due to impairment loss on goodwill recorded in 2022.

GlobeOSS recorded a decline in profit after tax in 2022 as compared to 2021. This was mainly due to the i) Lower revenues from both system sale contract and managed service contract in SEA region; and ii) Higher overall operating expenses. This impact was partly mitigated by higher gross profit margin.

Captii Ventures recorded a higher loss after tax in 2022, in contrast with the profit after tax in 2021. This was mainly due to higher fair value loss on its venture investment portfolio in 2022, as compared to a fair value gain recorded in 2021.

Others recorded a higher lower loss after tax in 2022 as compared to 2021. This was mainly due to impairment loss on investment in a subsidiary recorded in 2022.

For further information, please refer to note 2 (Review of performance of the group).

5. Financial assets and financial liabilities

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

	Note	Group		Company	
		As at	As at	As at	As at
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at fair value through profit or loss	10	23,898	28,523	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		24,469	25,207	9,627	10,591
		48,367	53,730	9,627	10,591
Financial liabilities					
Trade and other payables and borrowings (Amortised cost)		5,695	7,395	2,125	2,742

6. Profit before taxation

6.1. Significant items	Group	
	12 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Profit before income tax is stated after (charging)/crediting the following items:		
Negative goodwill arising on step-up of interest in an associate to subsidiary	-	1,620
Fair value gain on remeasurement of the group's previously held interest in an associate	-	4,442
Fair value (loss)/gain on unquoted investments	(2,074)	1,991
Foreign exchange loss, net	(90)	(18)
Amortisation of intangible assets	(245)	(297)
Depreciation of plant and equipment	(461)	(531)
Depreciation of right-of-use assets	(347)	(352)
Impairment loss on receivables	(7)	(10)
Impairment loss on plant and equipment	(15)	-
Impairment loss on investment property	-	(130)
Impairment loss on goodwill	(2,800)	-
Plant and equipment written-off	-	(1)

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	
	12 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Components of tax expense recognised in profit and loss include:		
Current tax expenses	(503)	(895)
Deferred tax (expenses)/income	(193)	119
Overseas withholding tax expenses	(21)	(72)
Total income tax expenses	(717)	(848)

8. Dividends

	Group	
	12 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Ordinary dividends paid:		
Interim exempt 2022 dividend of 1.25 cents per share (2021: Interim exempt 2021 dividend of 1.25 cents per share)	(399)	(399)

9. Net asset value

	As at 31/12/2022	As at 31/12/2021	As at 31/12/2022	As at 31/12/2021
	Group cents	Group cents	Company cents	Company cents
Net asset value per ordinary share ⁽¹⁾	144.95	162.63	106.11	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.

10. Other financial assets

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

	Group	
	As at	As at
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss	23,898	28,523

10.1. 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
		31/12/2022	31/12/2021
		S\$'000	S\$'000
Enterprise application technology			
Unquoted convertible preference shares in Singapore	3	1,071	2,031
Unquoted convertible loan notes in Singapore	3	6,535	8,240
Unquoted convertible preference shares in Malaysia	3	155	1,992
Unquoted convertible preference shares in Indonesia	3	4,001	3,131
Marketplace technology			
Unquoted convertible preference shares in Singapore	3	-	625
Unquoted convertible loan notes in Vietnam	3	12,136	12,495
Unquoted convertible preference shares in Korea	3	-	9
Total other financial assets		23,898	28,523

11. 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
12 months ended 31 December 2022				
Opening net book amount	754	-	9,891	10,645
Additions	337	-	-	337
Impairment loss during the year	-	-	(2,800)	(2,800)
Amortisation charge	(245)	-	-	(245)
Foreign exchange adjustments	(77)	-	(516)	(593)
Closing net book amount	769	-	6,575	7,344
At 31 December 2022				
Cost	9,112	17	9,767	18,896
Accumulated amortisation and impairment	(8,343)	(17)	(3,192)	(11,552)
Net book amount	769	-	6,575	7,344

11.1 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).

11.2 Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

11.3 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 31 December 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
	31/12/2022	31/12/2021
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	14.54%	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).

12. 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
12 months ended 31 December 2022				
Opening net book amount	915	152	744	1,811
Additions	209	9	142	360
Written off	-	-	(44)	(44)
Depreciation charge	(402)	(59)	(347)	(808)
Impairment	(15)	-	-	(15)
Foreign exchange adjustments	(47)	(9)	(44)	(100)
Closing net book amount	661	93	451	1,205
At 31 December 2022				
Cost	8,916	213	1,221	10,350
Accumulated depreciation and impairment	(8,255)	(120)	(770)	(9,145)
Net book amount	661	93	451	1,205

During the financial year ended 31 December 2022, the group acquired assets amounting to S\$218,000 (31 December 2021: S\$185,000).

13. 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 31/12/2022	As at 31/12/2021
	S\$'000	S\$'000
Cost		
Beginning of financial year	2,567	2,611
Currency translation differences	(152)	(44)
End of financial year	2,415	2,567
Fair value loss movement		
Beginning of financial year	430	305
Impairment loss during the financial year	-	130
Currency translation differences	(25)	(5)
End of financial year	405	430
Net book value	2,010	2,137

13.1 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\$249
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by S\$201,000; higher by S\$201,000

14. Borrowings

	Group	
	As at	As at
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	897	274
Unsecured	-	-

Details of any collateral

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

- 1) A facility with outstanding amount of Nil (2021: S\$274,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of Nil (2021: S\$2,922,000); and
- 2) A facility with outstanding amount of S\$897,000 (2021: Nil), that is secured by fixed deposits of the subsidiary amounting to approximately S\$2,263,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,242,000 (2021: S\$1,325,000).

As at the end of the financial year, the outstanding facilities covered by the guarantee were S\$897,000 (2021: S\$274,000).

15. Share Capital

	31/12/2022		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 year	31,957	31,948	31,957	31,948

The company did not hold any treasury shares as at 31 December 2022.

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

16. 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 31 December 2022, no significant loss allowance was provided for the reporting year.

17. 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 consolidated statement of financial position of Captii Limited and its subsidiaries as at 31 December 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 year 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 financial year ended 31 December 2022 as compared to corresponding financial year ended 31 December 2021

Group revenue

The group recorded consolidated revenue of S\$23,249 million for the financial year ended 31 December 2022 ("2022"), a 2.6% decrease against the revenue recorded in the corresponding financial year ended 31 December 2021 ("2021"). The decline in group revenue for 2022 is attributable to lower revenue recorded by both GlobeOSS and Unifiedcomms.

GlobeOSS recorded revenue of S\$8.314 million in 2022, a decrease of 4.2% from the S\$8.675 million recorded in 2021. This decline in revenue was due to lower revenue from system sale contracts.

Unifiedcomms recorded revenue of S\$14.935 million in 2022, a decrease of 1.7% from the S\$15.196 million recorded in 2021. This decrease in revenue was due to lower revenues from system sale contracts.

The group's sales mix in 2022 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 73.1% of the group's total revenue in 2022 as compared to 70.7% in 2021. The higher contribution of managed service contracts to the group's sales mix in 2022 is mainly attributable to the decline in system sale contract revenues of both GlobeOSS and Unifiedcomms, from S\$7 million in 2021 to S\$6.263 million in 2022.

Gross profit and gross profit margins

With the lower revenue recorded in 2022, the group recorded lower gross profit of S\$11.302 million, a decrease of 2.8% from the S\$11.63 million realised in 2021. In addition, gross profit margin had decreased marginally from 48.7% in 2021 to 48.6% in 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 from 44.3% in 2021 to 44% in 2022. This decrease in gross profit margin is mainly due to higher third-party costs on certain managed service contracts.

The impact from the above managed service contracts was partly mitigated by the higher gross profit margin on system sales contract revenues of 61.2% in 2022, versus the 59.4% recorded in 2021. This improvement in system sale contract gross profit margin is attributable to 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 higher interest income of S\$0.171 million in 2022 as compared to S\$0.16 million earned in 2021.

Other gains and other item of expense

The group recorded significantly higher net total expenses of S\$14 million in 2022, compared to the S\$1.431 million incurred in 2021. This is mainly attributable to the:-

- * Impairment loss on goodwill of S\$2.8 million relating to the acquisition of Ahead Mobile Sdn Bhd in 2012.

The impairment loss represented the amount by which the carrying amount of cash-generating unit ("CGU") had exceeded its recoverable amount. This lower assessed recoverable amount as at 31 December 2022 is mainly due to the impact of a significantly higher discount rate applied (14.54% vs. 10.37%) to the CGU forecast cash flows. The higher discount rate was caused by the changes in the prevailing economic conditions, most notably rising market interest rates.

Had the discount rate of 10.37% used in the valuation at 31 December 2021 been applied to the valuation at 31 December 2022, no impairment loss would have been recognised. This impairment loss has no cash impact;

- * A fair value loss of S\$2.074 million assessed on the group's venture investment portfolio in 2022 as compared to the fair value gain of S\$1.991 million recorded in 2021;
- * Absence of fair value gain of S\$4.442 million on the Group's pre-existing, 35.6% equity interest in OOPA Pte Ltd ("OOPA"); and
- * Absence of one-off negative goodwill of \$1.62 million relating to the acquisition of an additional 21.4% equity interest in OOPA, resulting in OOPA becoming a subsidiary of the Group.

The higher net total expenses was partly mitigated by lower technical support expenses recorded in 2022, due to higher capitalisation of product development efforts in 2022.

Net (loss)/profit and (LBITDA)/EBITDA

The group recorded a net loss of S\$3.244 million and LBITDA of S\$1.601 million in 2022, as compared to S\$9.511 million in net profit and S\$11.487 million in EBITDA in 2021. The net loss and negative EBITDA results recorded in 2022 are mainly attributable to the flow-down effects of the lower revenue and significantly higher net total expenses.

2. Review of performance of the group (continued)

2.1 Review of performance of the Group for the financial year ended 31 December 2022 as compared to corresponding financial year ended 31 December 2021 (continued)

Detailed segmental breakdown of group revenue and gross profit

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

Table 2.1: Group revenue as analysed by business unit for the financial year ended 31 December

	2022 S\$'000	Sales mix %	2021 S\$'000	Sales mix %
Unifiedcomms	14,935	64.2	15,196	63.7
GlobeOSS	8,314	35.8	8,675	36.3
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	23,249	100.0	23,871	100.0

Table 2.2: Group revenue as analysed by contract type for the financial year ended 31 December

External sales	2022			2021		
	System sale (1)	Managed service (2)	Group	System sale (1)	Managed service (2)	Group
Revenue	6,263	16,986	23,249	7,000	16,871	23,871
Gross profit	3,834	7,468	11,302	4,161	7,469	11,630
Gross profit (%)	61.2%	44.0%	48.6%	59.4%	44.3%	48.7%

Table 2.3: Group net total gains/(expenses) for the financial year ended 31 December

	Group	
	2022 S\$'000	2021 S\$'000
Other gains	59	8,201
Technical support expenses	(4,548)	(4,868)
Distribution costs	(1,201)	(1,206)
Administrative expenses	(3,272)	(3,280)
Other losses	(4,994)	(170)
Finance cost	(44)	(108)
Net total expenses	(14,000)	(1,431)

2. Review of performance of the group (continued)

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

Non-cash current assets of the group increased from S\$13.405 million as at 31 December 2021 to S\$14.65 million as at 31 December 2022. This 9.3% increase in non-cash current assets was mainly due to the increase in other non-financial assets, which comprised the contract assets and costs related to those uncompleted revenue projects.

Total non-current assets of the group decreased from S\$44.141 million as at 31 December 2021 to S\$35.261 million as at 31 December 2022. This decrease of 20.1% in non-current assets is attributable to:-

- * A decrease in venture investments of the group, following the disposal of two venture investments in the reporting year and a reduction in fair value of S\$2.074 million in the group's venture investment portfolio recorded as other financial assets ;
- * An impairment loss on goodwill (classified as intangible assets) amounting to S\$2.8 million; and
- * A decrease in the group's MYR denominated intangible assets, investment property and plant and equipment caused by the effect of foreign exchange movements.

Total liabilities of the group decreased from S\$8.65 million as at 31 December 2021 to S\$6.427 million as at 31 December 2022. This 25.7% decrease in total liabilities is attributable to the decrease in trade and other payables following repayments made in the reporting year.

2.3 Review of the group's cash flow for the financial year ended 31 December 2022 as compared to the corresponding period ended 31 December 2021

The group's net cash flow used in operations for 2022 was S\$0.187 million, in contrast with the net cash flow from operations of S\$3.673 million for 2021. This significant decrease was primarily due to the unfavourable change in working capital of S\$3.475 million for 2022, in contrast with the favourable change in working capital of S\$0.108 million for 2021, as higher repayment was made on trade and other payables in 2022 against 2021.

The group's net cash flow from investing activities for 2022 was S\$2.021 million, in contrast with the net cash flow used in investing activities of S\$0.364 million in 2021. This was primarily due to proceeds received from the disposal of two venture investments in 2022.

The Group's net cash flow used in financing activities for 2022 amounted to S\$0.605 million as compared to S\$1.6 million for 2021. The lower net cash used in financing activities was mainly due to proceeds from borrowing in 2022.

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 risk and uncertainty of the economy going into recession due to geo-political tensions, supply chain disruption, and rising inflation and interest rates, 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 next twelve months.

The operations of Unifiedcomms and GlobeOSS in the financial year under review had been minimally impacted by geo-political tensions and supply chain disruption. However Unifiedcomms' weighted average cost of capital (otherwise the discount rate applied to future cash flows), which is relevant to its valuation, had increased significantly due mainly to interest rate hikes. In 2022, the valuation of Unifiedcomms as a cash-generating unit ("CGU") was significantly affected by the changes in equity market and macroeconomic conditions, in particular the impact from higher benchmark interest rates. As a result, an impairment loss on goodwill of S\$2.8 million in relation to this business was provided and reflected in the financial year under review, though this impairment loss has no cash flow impact to the group.

On the business front, both Unifiedcomms and GlobeOSS 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 financial year under review, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough.

At Captii Ventures, the group's venture investment business, the climate for business development and funding continues to be challenging for start-ups in certain industries. Such a challenging environment for business operations and market valuations for some of our investees had resulted in a substantial reduction in the fair value of Captii Ventures' investment portfolio, translating to a fair value loss of S\$2.074 million in the financial year under review. On a more positive note, the group had successfully materialised certain unrealised fair value gains recorded in prior years by exiting from two venture investments. As a result of these exits, disposal proceeds of S\$2.4 million were received and are reflected in the consolidated statement of cash flows for the financial year under review.

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 economic uncertainty on the group financial performance.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

An interim dividend has been declared on 10 August 2022 and paid out on 19 September 2022.

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?

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

Not applicable.

5d. Books Closure Date

Not applicable.

6. A breakdown of sales

	Group	
	As at	As at
	31/12/2022	31/12/2021
	S\$'000	S\$'000
(a) Sales reported for first half year	10,698	10,916
(b) Profit, net of tax, before deducting non-controlling interest reported for first half year	1,093	1,042
(c) Sales reported for second half year	12,551	12,955
(d) (Loss)/Profit, net of tax, before deducting non-controlling interest reported for second half year	(4,337)	8,469

7. 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)	
		12 months ended 31 December		12 months ended 31 December	
		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)	211	290	Nil	Nil

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

8. 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.

9. 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).

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company hereby confirms that as at the date of this announcement, to the best of its knowledge, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

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 year ended 31 December 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
22 February 2023