

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	CAPTII LIMITED
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For Financial Period Ended	31/12/2014
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Full Year Financial Statements and Dividend Announcement
for the Year Ended 31 December 2014

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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

Set out below are the financial statements for the year ended 31 December 2014

Consolidated Statement of Comprehensive Income

	Group		
	12 months ended 31 December		
	2014	2013	Inc/(dec)
	S\$'000	S\$'000	%
Revenue	21,579	17,576	22.8
Cost of Sales	(10,595)	(7,680)	38.0
Gross profit	10,984	9,896	11.0
Other Items of Income:			
Interest Income	270	415	(34.8)
Other Gains	648	920	(29.6)
Other Items of Expense:			
Technical Support Expenses	(3,591)	(3,445)	4.2
Distribution Costs	(1,772)	(1,870)	(5.2)
Administrative Expenses	(3,214)	(3,146)	2.1
Other Losses	(426)	(1,063)	(59.9)
Finance Costs	(1)	(1)	0.0
Shared of Result from Jointly-Controlled Entity	(10)	(5)	100.0
Profit Before Income Tax	2,888	1,701	69.8
Income Tax Expenses	(633)	(601)	5.4
Profit, Net of Tax	2,255	1,100	105.0
Profit, Net of Tax Attributable to:			
Owners of the Company	2,159	1,021	111.4
Non-Controlling Interests	96	79	22.1
	2,255	1,100	105.0

Consolidated Statement of Comprehensive Income

	Group		
	12 months ended 31 December		
	2014	2013	Inc/(dec)
	S\$'000	S\$'000	%
Profit, Net of Tax	2,255	1,100	105.0
Other Comprehensive Income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(655)	(1,001)	(34.5)
Total Comprehensive Income for the year	1,600	99	1,516.2
Total Comprehensive Income for the year Attributable to:			
Owners of the Company	1,622	7	23,065.8
Non-Controlling interest	(22)	92	(123.4)
Total Comprehensive Income for the year	1,600	99	1,516.2

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

	Group		
	12 months ended 31 December		
	2014	2013	Inc/(dec)
	S\$'000	S\$'000	%
Profit before income tax is stated after (charging)/crediting the following items:			
Reversal of Payables	479	148	2.2
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	-	742	(100.0)
Gain/(Loss) on Disposal of Plant and Equipment	2	(2)	100.0
Foreign Exchange Gain/(Loss), net	64	(105)	(160.9)
Amortisation of Intangible Assets	(1,047)	(1,079)	(3.0)
Depreciation of Plant and Equipment	(466)	(885)	(47.3)
Write-down of Inventories	(11)	(74)	(85.1)
Impairment Loss on Receivables	(31)	(1)	2,960.8
Impairment Loss on Plant and Equipment	-	(820)	(100.0)
Impairment Loss on Intangible Assets	(361)	-	100.0
Impairment Loss on Investment in Joint Venture	-	(10)	(100.0)
Plant and Equipment Written-Off	(8)	(5)	59.2
Components of tax expense recognised in profit and loss include:			
Current Tax Expenses	(451)	(366)	23.2
Deferred Tax (Expenses)/Income	(15)	19	(178.9)
Over/(Under) adjustments in respect of prior years	19	(9)	(308.1)
Overseas Withholding Tax Expenses	(186)	(245)	(24.1)

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

Statements of Financial Position

	Group	Group	Company	Company
	As at	As at	As at	As at
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Plant and Equipment	1,804	1,330	-	-
Investment Property	3,370	3,438	-	-
Intangible Assets	14,541	15,753	-	-
Investments in Subsidiaries	-	-	32,734	32,734
Investment in Jointly-Controlled Entity	7	17	-	-
Deferred Tax assets	-	19	-	-
Total Non-Current Assets	19,722	20,557	32,734	32,734
Current assets				
Inventories	19	3	-	-
Trade and Other Receivables	9,810	7,899	4,080	4,529
Other Assets	342	536	4	3
Cash and Cash Equivalents	11,880	11,248	14	22
Total Current Assets	22,051	19,686	4,098	4,554
Total Assets	41,773	40,243	36,832	37,288
EQUITY AND LIABILITIES				
Equity				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	6,754	5,234	4,334	4,630
Foreign Currency Translation Reserve	(4,146)	(3,609)	-	-
Equity, Attributable to Owners of the Parent	34,556	33,573	36,282	36,578
Non-Controlling Interest	1,370	1,392	-	-
Total Equity	35,926	34,965	36,282	36,578
Non-Current Liabilities				
Deferred Tax Liabilities	5	16	-	-
Total Non-Current Liabilities	5	16	-	-
Current Liabilities				
Income Tax Payables	75	108	-	-
Trade and Other Payables	5,584	4,800	550	710
Other Liabilities	183	354	-	-
Borrowings	-	-	-	-
Total Current Liabilities	5,842	5,262	550	710
Total Liabilities	5,847	5,278	550	710
Total Equity and Liabilities	41,773	40,243	36,832	37,288

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

As at 31 December 2014, the Group did not have borrowings and debt securities.

Details of any collateral

The Company has issued a financial guarantee to a bank for banking facilities granted to its subsidiary. The banking facilities are secured by fixed deposits of the subsidiary amounting to approximately S\$317,000 (2013: S\$364,000), and guaranteed by a director of the subsidiary and the Company for RM1,530,000 (equivalent to S\$581,000 (2013: S\$590,000)).

As at the end of the financial year, there were no outstanding facilities covered by the guarantee (2013: Nil). The financial guarantee requires the guarantor to reimburse the bank if the subsidiary fails to make principal or interest repayments when due in accordance with the terms of the facility. There has been no default or non-repayment since the utilisation of the banking facilities.

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

Consolidated Statement of Cash Flow

	Group	
	12 months ended 31 December	
	2014	2013
	S\$'000	S\$'000
Operating activities:		
Profit Before Income Tax	2,888	1,701
Adjustments for:		
Amortisation of Intangible Assets	1,047	1,079
Depreciation of Plant and Equipment	466	885
(Gain)/Loss on Disposal of Plant and Equipment	(2)	2
Plant and Equipment Written-Off	8	5
Reversal of Payables	(479)	(148)
Write-down of Inventories	11	74
Impairment Loss on Plant and Equipment	-	820
Impairment Loss on Intangible Assets	361	-
Impairment Loss on Investment in Joint Venture	-	10
Impairment Loss on Receivables	31	1
Interest Expense	1	1
Interest Income	(270)	(415)
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	-	(742)
Shared of Result from Jointly-Controlled Entity	10	5
Operating Cash Flow before Changes in Working Capital	4,072	3,278
Inventories	(28)	(22)
Trade and Other receivables	(1,940)	(123)
Other Assets	194	(288)
Trade and Other payables	2,281	352
Other Liabilities	(172)	205
Net Cash Flows From Operations	4,407	3,402
Income Tax Paid	(590)	(779)
Net Cash Flows From Operating Activities	3,817	2,623
Cash Flows From Investing Activities:		
Purchase of Plant and Equipment	(970)	(279)
Investment in Joint Venture	-	(20)
Proceeds From Disposal of Plant and Equipment	5	2
Payment of Contingent Consideration	(899)	(1,306)
Payment for Development Costs	(438)	(852)
Cash Restricted in Use	2,354	1,325
Interest Income Received	270	415
Net Cash Flows From/(Used in) Investing Activities	322	(715)
Cash Flows From Financing Activities:		
Dividend Paid by a Subsidiary to Non-Controlling Interest	-	(194)
Dividend Paid to Equity Owners	(639)	(639)
Cash Restricted in Use	(8)	-
Proceeds from Interest Bearing Borrowings	159	234
Repayment of Interest Bearing Borrowings	(159)	(234)
Interest Expenses Paid	(1)	(1)
Net Cash Flows Used in Financing Activities	(648)	(834)

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

	Group	
	12 months ended 31 December	
	2014	2013
	S\$'000	S\$'000
Net Change in Cash and Cash Equivalents	3,491	1,074
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	8,447	7,756
Effect of Exchange Rate Changes On Cash and Cash Equivalents	(458)	(383)
Cash and Cash Equivalents At End of the Financial Year (Note 1)	11,480	8,447

Explanatory Notes:

Note 1

	Group	
	12 months ended 31 December	
	2014	2013
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	11,880	11,248
Less: Restricted Deposits	(400)	(2,801)
Cash and cash equivalents per consolidated statement of cash flows	11,480	8,447

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

Statements of Changes in Equity for the year ended 31 December 2014

	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 Year:						
Group						
Opening Balance at 1 January 2014	34,965	33,573	31,948	5,234	(3,609)	1,392
Total Comprehensive Income/(Loss) for the year	1,600	1,622	-	2,159	(537)	(22)
Dividend Paid	(639)	(639)	-	(639)	-	-
Closing Balance at 31 December 2014	35,926	34,556	31,948	6,754	(4,146)	1,370
Company						
Opening Balance at 1 January 2014	37,303	37,303	31,948	5,355	-	-
Total Comprehensive Loss for the year	(382)	(382)	-	(382)	-	-
Dividend Paid	(639)	(639)	-	(639)	-	-
Closing Balance at 31 December 2014	36,282	36,282	31,948	4,334	-	-

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

Statements of Changes in Equity for the nine months ended 31 December 2013

	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 Year:						
Group						
Opening Balance at 1 January 2013	35,699	34,205	31,948	4,852	(2,595)	1,494
Total Comprehensive Income/(Loss) for the year	99	7	-	1,021	(1,014)	92
Dividend Paid	(833)	(639)	-	(639)	-	(194)
Closing Balance at 31 December 2013	34,965	33,573	31,948	5,234	(3,609)	1,392
Company						
Opening Balance at 1 January 2013	37,303	37,303	31,948	5,355	-	-
Total Comprehensive Loss for the year	(86)	(86)	-	(86)	-	-
Dividend Paid	(639)	(639)	-	(639)	-	-
Closing Balance at 31 December 2013	36,578	36,578	31,948	4,630	-	-

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

None

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

	Company	
	As at 31/12/2014	As at 31/12/2013
Ordinary shares	319,572,675	319,572,675

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

Not applicable.

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

These figures have neither been audited nor reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2013.

The Group and the Company have also adopted all new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the year beginning on 1 January 2014. The adoption of these FRS and INT FRS does not have any significant effect on the financial performance or position of the Group and Company.

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

Not applicable.

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

	Group	
	12 months ended 31 December	
	2014	2013
	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	0.68	0.32
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a.	n.a.

n.a.: not applicable

⁽¹⁾ For comparative purposes, the earnings per ordinary share of the Group has been computed based on the profit, net of tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 319,572,675 shares for financial year ended 31 December 2014 and 2013.

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

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

	As at 31/12/2014		As at 31/12/2013	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	10.81	11.35	10.51	11.45

⁽¹⁾ 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 end and the existing issued share capital of 319,572,675 shares.

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

Review of results for the financial year ended 31 December 2014 as compared to corresponding financial year ended 31 December 2013

Revenue

The Group achieved consolidated revenue of S\$21.579 million for the financial year ended 31 December 2014 ("2014"), an increase of 22.8% against the revenue recorded in the corresponding financial year ended 31 December 2013 ("2013"). The increase in Group revenue for 2014 is attributable to the improved revenue performance of OSS and VAS BUs.

OSS BU achieved revenue of S\$7.207 million in 2014, an increase of 70.9% from the S\$4.218 million recorded in 2013. This increase in revenue was largely due to the higher system sale contract revenues realised by OSS BU in the SEA region.

VAS BU posted revenue of S\$8.201 million, an increase of 21.8% on the S\$6.735 million recorded in 2013. This increase was driven primarily by the higher system sale and managed service contract revenues generated by VAS BU in the MEA and SEA regions respectively.

TECH BU recorded revenue of S\$5.927 million in 2014, a decline of 7.0% from the S\$6.374 million recorded in 2013. This decline in revenue is mainly attributable to the lower system sale and managed service contract revenues in the SEA region.

OHQ BU continued to contribute to Group revenue with S\$0.240 million in rental income from the investment property acquired in early 2011.

The Group's sales mix in 2014 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 65.4% of the Group's total revenue in 2014 as compared to 78.4% in 2013. The lower contribution of managed service contracts to the Group's sales mix in 2014 is mainly attributable to the improvement in system sale contract revenues of the Group, which had risen 96.3% from S\$3.805 million in 2013 to S\$7.470 million in 2014.

Gross Profit and Gross Profit Margins

Although Group gross profit was higher at S\$10.984 million in 2014 as compared to S\$9.896 million in 2013, gross profit margin was lower at 50.9% as compared to 56.3% in 2013. This was primarily due to the lower gross profit margin realised on the Group's system sale contract revenues, which declined from 55.7% in 2013 to 39.7% in 2014. This decline is mainly attributable to the higher proportionate contribution of system sale contracts by OSS BU, which generally deliver lower gross profit margin as a result of its typically higher third-party component costs.

The gross profit margin recorded by the Group on its managed service contract revenues increased marginally to 56.8% in 2014 from 56.5% in 2013. This increase in gross profit margin is attributable to the decline in depreciation costs, following the full impairment provisions made on certain managed service contract assets in late 2013. The increase in gross profit margin on managed service contract revenue due to the reduced depreciation costs was however partly offset by higher third-party costs on certain managed service contracts, coupled with the lower revenue contribution of certain mature, higher-margin managed service contracts.

Interest Income

The Group recorded interest income of S\$0.270 million in 2014, 34.8% lower than the S\$0.415 million achieved in 2013, mainly attributable to the withdrawal of interest-bearing deposits held in escrow in connection with contingent consideration for the acquisition of Ahead Mobile Sdn Bhd ("AMSB"). Interest-bearing deposits were withdrawn to address the payment of tranches 2 and 3 of contingent consideration in 2013 and 2014 respectively.

Other gains

The Group recorded other gains of S\$0.648 million in 2014, 29.6% lower than the S\$0.920 million achieved in 2013, mainly due to absence of the S\$0.742 million fair value gain on contingent consideration of acquisition of AMSB. This impact was however partly mitigated by higher reversal of payables at S\$0.479 million in 2014 as compared to S\$0.148 million in 2013. The reversed payables are those that are no longer valid or repayable by the Group.

Other Items of Expense

The Group recorded total expenses of S\$9.014 million in 2014, 5.4% lower than the S\$9.530 million incurred in 2013. This decrease in total expenses is attributable mainly to :

- * Lower distribution costs recorded in 2014, attributable to a reduction in the sales and business development headcount of the Group;
- * Absence of S\$0.820 million in impairment loss on plant and equipment in relation to the potential failure to recover managed service contract assets in the custody of a mobile telecoms network operator and service provider in India; and
- * Absence of a net foreign exchange loss of S\$0.105 million. A net foreign exchange gain of S\$0.064 million was recorded in 2014 as a result of the favourable exchange rate movement of the PKR against SGD during 2014.

The reduction in total expenses as detailed above was however partly offset by impairment loss on intangible assets of S\$0.361 million. This impairment loss is in respect of certain products that are now believed to produce lower than expected profitability and returns.

Net Profit and EBITDA

The Group recorded higher net profit of S\$2.255 million and EBITDA of S\$4.132 million in 2014 as compared to the S\$1.1 million in net profit and S\$3.253 million in EBITDA achieved by the Group in 2013. The higher net profit and EBITDA results recorded in 2014 are mainly attributable to the flow-down effect of higher revenue and lower operating expenses recorded in 2014.

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

Review of results for the financial year ended 31 December 2014 as compared to corresponding financial year ended 31 December 2013 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for 2014, together with comparative results for 2013 is provided below:

Table 8.1: Group revenue as analysed by business unit for the financial year ended 31 December

	2014 S\$'000	Sales mix %	2013 S\$'000	Sales mix %
Mobile Technology (TECH BU)	5,927	27.5	6,374	36.3
Mobile Value-Added-Services (VAS BU)	8,201	38.0	6,735	38.3
Operation Support Systems (OSS BU)	7,207	33.4	4,218	24.0
Operational Headquarters (OHQ BU)	244	1.2	249	1.4
Total	21,579	100.0	17,576	100.0

Table 8.2: Group revenue as analysed by geographical segment for the financial year ended 31 December

External Sales	2014				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
South East Asia (SEA)	5,921	4,971	7,184	244	18,320
South Asia (SA)	-	1,168	-	-	1,168
Middle East & Africa (MEA)	-	2,062	-	-	2,062
Others	6	-	23	-	29
Total	5,927	8,201	7,207	244	21,579

External Sales	2013				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
SEA	6,360	4,387	4,186	249	15,182
SA	-	1,295	9	-	1,304
MEA	4	1,053	-	-	1,057
Others	10	-	23	-	33
Total	6,374	6,735	4,218	249	17,576

Table 8.3: Group revenue as analysed by contract type for the financial year ended 31 December

External Sales	2014			2013		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	7,470	14,109	21,579	3,805	13,771	17,576
Gross Profit	2,964	8,020	10,984	2,120	7,776	9,896
Gross Profit (%)	39.7%	56.8%	50.9%	55.7%	56.5%	56.3%

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

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

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

Review of the Group's financial position as at 31 December 2014 as compared to the Group's financial position as at 31 December 2013

Non-cash current assets of the Group increased to S\$10.171 million as at 31 December 2014 from S\$8.438 million as at 31 December 2013. This 20.5% increase in non-cash current assets was mainly due to the increase in trade and other receivables as a result of the 22.8% rise in revenue being achieved by the Group.

Total non-current assets of the Group decreased from S\$20.557 million as at 31 December 2013 to S\$19.722 million as at 31 December 2014. This 4.2% decrease in non-current assets is attributable to the effect of ongoing amortisation and depreciation charges and impairment loss provisions that have been made on certain intangible assets of the Group.

Total liabilities of the Group increased from S\$5.278 million as at 31 December 2013 to S\$5.847 million as at 31 December 2014. This 10.8% increase in total liabilities is attributable to an increase in trade and other payables corresponding to the higher cost of sales incurred by the Group in 2014.

Review of the Group's cash flow for the financial year ended 31 December 2014 as compared to the corresponding financial year ended 31 December 2013

The Group's net cash flow from operations for 2014 was S\$4.407 million, an increase of 29.5% as compared to S\$3.402 million for 2013. This increase was mainly contributed by the higher profit before income tax of S\$2.888 million for 2014 versus S\$1.701 million for 2013.

The Group's net cash flow from investing activities for 2014 was S\$0.322 million, in contrast with the net cash flow used in investing activities of S\$0.715 million for 2013. This significant change is mainly attributable to withdrawal of interest-bearing deposits amounting to S\$2.354 million in 2014, as compared to the lower withdrawal amount of S\$1.325 million in 2013. Both of these withdrawals relate to the utilisation of deposits held in an escrow account for payment of contingent consideration in relation to the acquisition of AMSB. The higher withdrawal amount in 2014 is in connection with the final payment of contingent consideration (tranche 3) that was effected in Q2 2014.

The Group's net cash flow used in financing activities for 2014 amounted to S\$0.648 million as compared to S\$0.834 million for 2013. This lower net cash used in financing activities is mainly attributable to the absence of dividend payout to non-controlling interests.

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

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

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

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

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

While the growth in system sale contract revenues is expected to be less certain and gross margin pressure expected to persist, management of the Group anticipates the steady progress in growing the managed service contract portfolio of the Group to be effective as a countervailing force. The results of the more recently implemented managed service contracts of the Group have started to show in our 2014 top and bottom lines.

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

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

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

11. Dividend

(a) Current Financial Year Reported On

An interim dividend has been declared on 14 August 2014 and paid out on 15 September 2014.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Interested Person Transactions

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	12 months ended 31 December		12 months ended 31 December	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
AESBI Power Systems Sdn Bhd *	272	274	Nil	Nil

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Financial year ended 31 December 2014

	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	5,927	8,201	7,207	244	-	21,579
-inter-segment	104	72	628	5,074	(5,878)	-
	<u>6,031</u>	<u>8,273</u>	<u>7,835</u>	<u>5,318</u>	<u>(5,878)</u>	<u>21,579</u>
Cost of Sales	(4,581)	(3,792)	(5,878)	(94)	3,750	(10,595)
Gross Profit	1,450	4,481	1,957	5,224	(2,128)	10,984
Other Items of Income:						
Interest Income	156	83	32	-	-	270
Other Gains	29	730	0	60	(171)	648
Other Item of Expenses:						
Technical Support Expenses	(834)	(623)	(791)	(1,519)	175	(3,591)
Distribution Costs	(218)	(830)	(368)	(491)	135	(1,772)
Administrative Expenses	(1,100)	(880)	(484)	(1,260)	510	(3,214)
Other Losses	(103)	(312)	(42)	(499)	529	(426)
Finance Costs	-	-	(1)	-	-	(1)
Share of Results from Jointly-Controlled Entity	-	(10)	-	-	-	(10)
(Loss)/Profit Before Income Tax	(620)	2,639	303	1,515	(950)	2,888
Income Tax Expenses	(74)	(183)	(12)	(214)	(150)	(633)
(Loss)/Profit, Net of Tax	(694)	2,456	291	1,301	(1,100)	2,255
(Loss)/Profit for the Year Attributable to:						
Owners of the Company	(694)	2,456	148	1,301	(1,052)	2,159
Non-Controlling Interest	-	-	143	-	(47)	96
(Loss)/Profit for the year	(694)	2,456	291	1,301	(1,099)	2,255
Other information						
Impairment Loss on Intangible Assets	(63)	(298)	-	-	-	(361)
Depreciation of Plant and Equipment	(119)	(294)	(39)	(34)	20	(466)
Amortisation of Intangible Assets	(723)	(409)	(7)	-	93	(1,047)
Segment Assets	25,042	22,526	6,077	51,538	(63,410)	41,773
Unallocated Assets	-	-	-	-	-	-
Consolidated Total Assets						41,773
Segment Liabilities	10,576	12,303	3,010	11,390	(31,437)	5,842
Unallocated Liabilities	19	-	-	-	(14)	5
Consolidated Total Liabilities						5,847
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	413	628	18	30	(119)	970
- Development Costs	329	115	-	-	(6)	438

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

Financial year ended 31 December 2013

	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	6,374	6,735	4,218	249	-	17,576
-inter-segment	224	305	714	4,946	(6,189)	-
	6,598	7,040	4,932	5,195	(6,189)	17,576
Cost of Sales	(4,491)	(3,395)	(3,039)	(291)	3,536	(7,680)
Gross Profit	2,107	3,645	1,893	4,904	(2,653)	9,896
Other Items of Income:						
Interest Income	266	109	40	-	-	415
Other Gains	113	889	-	49	(131)	920
Other Item of Expenses:						
Technical Support Expenses	(908)	(578)	(712)	(1,456)	209	(3,445)
Distribution Costs	(158)	(1,158)	(465)	(240)	151	(1,870)
Administrative Expenses	(1,078)	(1,010)	(534)	(1,197)	673	(3,146)
Other Losses	(91)	(1,210)	(53)	(1,209)	1,500	(1,063)
Finance Costs	-	-	(1)	-	-	(1)
Share of Results from Jointly-Controlled Entity	-	(5)	-	-	-	(5)
Profit/(Loss) Before Income Tax	251	682	168	851	(251)	1,701
Income Tax Expenses	(211)	(163)	(9)	(218)	-	(601)
Profit/(Loss), Net of Tax	40	519	159	633	(251)	1,100
Profit/(Loss) for the Year Attributable to:						
Owners of the Company	40	519	80	633	(251)	1,021
Non-Controlling Interest	-	-	79	-	-	79
Profit/(Loss) for the year	40	519	159	633	(251)	1,100
Other information						
Impairment Loss on Plant and Equipment	-	(1,051)	-	-	231	(820)
Depreciation of Plant and Equipment	(73)	(718)	(61)	(52)	19	(885)
Amortisation of Intangible Assets	(743)	(346)	(75)	-	85	(1,079)
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	-	742	-	-	-	742
Segment Assets	22,153	26,721	4,464	49,688	(62,802)	40,224
Unallocated Assets	5	-	-	-	14	19
Consolidated Total Assets						40,243
Segment Liabilities	8,670	16,811	1,634	9,130	(30,983)	5,262
Unallocated Liabilities	-	-	16	-	-	16
Consolidated Total Liabilities						5,278
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	14	285	23	9	(52)	279
- Development Costs	597	336	1	-	(82)	852

	Group							
	Revenue		Total assets		Non-current assets		Capital expenditure	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
SEA	18,320	15,182	40,005	38,052	19,389	20,117	1,388	1,100
SA	1,168	1,304	1,119	1,948	333	421	20	31
MEA	2,062	1,057	642	202	-	-	-	-
Others	29	33	7	22	-	-	-	-
	21,579	17,576	41,773	40,224	19,722	20,538	1,408	1,131
Unallocated assets			-	19	-	19		
			41,773	40,243	19,722	20,557		

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

TECH recorded a significant decline in earnings in 2014 versus that recorded in 2013 which was mainly due to the lower revenue in SEA region.

In contrast, VAS achieved a substantial improvement in earnings in 2014 against 2013, which was primarily contributed by the revenue growth in SEA and MEA regions, coupled with the absence of impairment loss on plant and equipment that related to the managed service contract assets in India.

16. A breakdown of sales.

	Group		
	12 months ended 31 December		
	2014 S\$'000	2013 S\$'000	Inc/(dec) %
(a) Sales reported for first half year	11,337	8,947	26.7
(b) Profit, net of tax, before deducting non-controlling interest reported for first half year	847	1,074	(21.1)
(c) Sales reported for second half year	10,242	8,629	18.7
(d) Profit, net of tax, before deducting non-controlling interest reported for second half year	1,408	26	5,316.5

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

	Total annual dividend	
	2014 S\$'000	2013 S\$'000
Interim dividend to ordinary share	639	639

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

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.

On behalf of the Board of Directors

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Chief Executive Officer

BY ORDER OF THE BOARD

Anton Syazi Ahmad Sebi
Chief Executive Officer
16 February 2014